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FBIS-EAS-90-032 *15 February 1990*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTER-ASIAN AFFAIRS

ASEAN Ministers Discuss Meeting on Cambodia 1
Alatas on Australian Plan *[AFP]* 1
Alatas on Dismantling Government *[AFP]* 1
ASEAN Participation Confirmed *[Bangkok THE NATION 15 Feb]* 2
EC To Drop Clause on Khmer Rouge *[Bangkok BANGKOK POST 15 Feb]* 2

NORTHEAST ASIA

Japan

Kaifu: Ready To Pay More for U.S. Forces *[KYODO]* 4
BOJ Governor Holds Briefing on Return From U.S. *[KYODO]* 4
U.S. Could Join Satellite Development Project *[KYODO]* 5
Steel Pact Gives Japan 5 Percent of U.S. Market *[KYODO]* 5
Government To Survey Land Investment Abroad *[KYODO]* 5
MITI Worried About Toyota's Planned Expansion *[KYODO]* 5
MITI To Monitor Chemical Exports for Arms Use *[KYODO]* 6
Agreement With UK To Boost Cooperation Abroad *[KYODO]* 6
Further Reportage on House Election Campaign 6
No More TV Debates *[KYODO]* 6
Kaifu Prediction *[KYODO]* 6
Yamaguchi Prediction *[KYODO]* 7
KYODO Poll 7
NHK Poll *[Tokyo TV]* 8
Thailand To Receive 81 Billion Yen Loan *[KYODO]* 8
Controversial Burmese Diplomat Leaves for Home *[KYODO]* 8
Chinese Hijacker Applies for Political Asylum *[KYODO]* 9
Toshiba Develops 4-Megabit SRAM Chip *[KYODO]* 9
NEC Develops First 16 Megabit Eprom *[KYODO]* 9

North Korea

Letter To South Adopted by DPRK Meeting *[KCNA]* 9
'Five-Point Immediate Measures' of Letter Noted *[KCNA]* 11
NODONG SINMUN on Labor Leader Trial *[KCNA]* 12
South Korean Defector Holds News Conference *[KCNA]* 12
Commentary Views Beating of South Korean Student *[KCNA]* 13
U.S. Secretary Cheney's Trip to Seoul Reported *[KCNA]* 14
MINJU CHOSON on Menetrey Senate Testimony *[KCNA]* 14
USSR Statement on Troop Withdrawal Noted *[Pyongyang Radio]* 14
Yon Hyong-muk Meets With Soviet Coal Minister *[KCNA]* 14
Film Cooperation Agreement Signed With USSR *[KCNA]* 15
Nuclear Power Delegation Returns From Cuba *[Pyongyang Radio]* 15
Chon Yon-ok-Led Delegation Returns From Cuba *[Pyongyang Radio]* 15
Yi Chong-ok Attends Symposium on WPK *[KCNA]* 15
Meeting of Government, Political Parties Held *[KCNA]* 16
GFTUK Plenary Meeting Held in Pyongyang *[KCNA]* 16
Meeting Welcomes Release of Nelson Mandela *[Pyongyang Radio]* 17
People's Army Hero Kim Kwang-chol Dedicated *[KCNA]* 17

Pyongyang Dwelling House Construction Accelerated *[KCNA]* 18
West Coast Waterway Project Nears Completion *[KCNA]* 18
New Material for Optical Devices Developed *[KCNA]* 19

South Korea

Further Reportage on Cheney Visit to Seoul 19
Talks With No Tae-u Reviewed *[YONHAP]* 19
Meets State Defense Minister *[Seoul Radio]* 19
Negotiations With U.S. on JUSMAG-K Reported *[KYONGHYANG SINMUN 13 Feb]* 20
DPRK Conditionally Accepts Nuclear Inspection *[Seoul Radio]* 20
Further on South Telephone Message to North *[YONHAP]* 21
Shevardnadze Statement on 'Wall' Discussed 21
Seoul Expresses Regret *[YONHAP]* 21
Editorial on 'Moscow's Misconception' *[THE KOREA HERALD 14 Feb]* 22
Investments in Soviet Union May Become Easier *[THE KOREA TIMES 14 Feb]* 22
Moscow Radio Cited on State Investment in USSR *[CHUNGANG ILBO 7 Feb]* 23
Soviet Youth Official Discusses Improving Ties *[KYONGHYANG SINMUN 7 Feb]* 23
15 Business 'Tycoons' To Visit USSR Mid-May *[YONHAP]* 23
Soviet Academy, National Foundation Sign Pact *[YONHAP]* 23
'Co-Ops' Sign Memo of Understanding With USSR *[YONHAP]* 24
Soviet Institute To Hold Construction Seminar *[YONHAP]* 24
Hockey Team Exchange With USSR Planned *[YONHAP]* 24
Participation in Communications Projects Reported 24
Soviet Fiber Optic Project *[YONHAP]* 24
North-South Accord on Projects *[YONHAP]* 25
Seoul Seeks Economic Pacts With East Bloc *[YONHAP]* 25
Consultative Council With East Europe Planned *[THE KOREA TIMES 11 Feb]* 26
Chinese Technicians To Receive Training in State *[YONHAP]* 26
Japan-Korea Council on 3d Generation Issue *[THE KOREA HERALD 11 Feb]* 26
Two New Shipping Lines To Open With Japan *[YONHAP]* 26
New Opposition Party Named 'Democratic Party' *[THE KOREA HERALD 15 Feb]* 27
Ministry To Aid Firms Stricken by Disputes *[THE KOREA TIMES 11 Feb]* 27
Police To Receive Hand Guns by Next Year *[YONHAP]* 27
YONHAP Reports on Foreign Banks' Profits 28

SOUTHEAST ASIA

Burma

SLORC Committee Holds 77th News Conference *[Rangoon Radio]* 29
Lao Trade Minister Arrives With Delegation *[Rangoon Radio]* 31

Cambodia

Heng Samrin Receives Supreme Soviet Delegation *[Phnom Penh Radio]* 31
Mock Suggests Reactivating ICK as Adviser *[Bangkok BANGKOK POST 15 Feb]* 32
Defense Ministry Delegations Visit Front Line *[Phnom Penh Radio]* 32
Government Reports 14 Feb Battle Activities *[Phnom Penh Radio]* 32
Son Sann Returns to 'Liberated' Nation 14 Feb *[AFP]* 33
BBC Correspondent Watches Return 34
Sihanouk Speaks on Khmer Rouge, Possible Peace *[Vienna TV]* 34
Sihanouk Proposes Private Meeting With Hun Sen *[Bangkok THE NATION 15 Feb]* 34
Sihanouk Welcomes UN Call To Limit Troops *[Radio VOK]* 36
Australian Team Meets With Sihanouk Official *[Radio VOK]* 36
Ali Alatas Sends Reply to Khieu Samphan *[Radio VONADK]* 36
Khieu Samphan Agrees To Attend Jakarta Meeting *[Radio VONADK]* 37
SRV-Phnom Penh Stance Called 'Obstinate' *[Radio VONADK]* 38
Phnom Penh Position on UN Role Analyzed *[Radio VODK]* 38

Indonesia

Reportage on Possible Normalization of PRC Ties 39
Alatas Comments on Normalization *[ANTARA]* 39
Try Sutrisno Defends Restoration *[Jakarta Radio]* 40
Relations Tied to Khmer Rouge *[AFP]* 40
Daily Views 'Logical Step' *[THE JAKARTA POST 8 Feb]* 41
Alatas Views Future Negotiations in Peace Talks *[AFP]* 42
Resolving of Issues Pending With Malaysia Urged *[AFP]* 43
Forestry Officials Meet With SRV Minister *[Jakarta Radio]* 43
Former Communists To Gain Vote After Screening *[AFP]* 43
Rudini Comments Further on Issue *[Jakarta Radio]* 43
Foreign Pressure on Phone Networks Deal Denied *[AFP]* 44

Laos

Supreme Soviet Delegation Arrives for Visit *[KPL]* 44
Culture Delegation Leaves for Visit to USSR *[KPL]* 44
DPRK Foreign Ministry Delegation Visits 44
Calls on Phoun Sipaseut *[Vientiane Radio]* 44
Signs Cooperation Documents *[KPL]* 45
Supreme People's Assembly Adopts Resolution *[Vientiane Radio]* 45
Report on Rice Production in Various Provinces *[KPL, etc.]* 46

Philippines

Aquino Reacts to Bush Statement on Cheney Visit *[Manila Radio]* 46
Future Talk With U.S. Defense Secretary Viewed *[Manila Radio]* 47
'Bickerings,' Budget Shortages Plague Aid Plan *[MANILA BULLETIN 4 Feb]* 47
Column Cautions on Aid Cut, Bases Termination *[PHILIPPINES NEWSDAY 7 Feb]* 48
Estanislao Comments on Unfriendly Banks *[Manila Radio]* 49
Fujian Delegation Offers Electrification Loan *[Quezon City Radio]* 49
$700 Million Loan Accord Signed With France *[Manila Radio]* 49
Malacanang, Commission Favor Early Local Polls *[Manila Radio]* 49
Senator Names Panel for Charter Review *[PHILIPPINE DAILY GLOBE 12 Feb]* 50
Legislators To Propose Constitutional Amendment *[Quezon City Radio]* 51
Congressman Opposes Counterintelligence Unit *[Manila Radio]* 51
Constabulary Commander Sacked in Logging Scandal *[PHILIPPINE DAILY GLOBE 7 Feb]* 51
De Villa Visits Bataan Army Battalions *[Quezon City Radio]* 51
De Villa Claims NPA Force Down to 19,000 *[Manila Radio]* 52
Military Approves Disbandment of Scout Rangers *[Manila Radio]* 52
Communist Rebel Attack in Tarlac Said Foiled *[Quezon City Radio]* 52
Top NPA Leader Said Captured in Mindanao *[MANILA BULLETIN 8 Feb]* 52
Clash Along Zamboanga, Misamis Border Reported *[Quezon City Radio]* 52
NPA Planning To Intensify Terrorism Campaign *[Manila Radio]* 53
Official Admits NPA Return to Davao City *[Manila Radio]* 53
Military Reportedly Captures Major NPA Camp *[PHILIPPINE DAILY GLOBE 8 Feb]* 53
Five Rebel Death Squad Leaders Said Captured *[PHILIPPINE DAILY INQUIRER 8 Feb]* 54
Agriculture Official Cites Drought Damage *[Quezon City Radio-TV]* 54
New Debt Buy Back Scheme Planned for Creditors *[Manila Radio]* 54
EPZA Posts P80 Million Investments in Jan *[BUSINESS STAR 8 Feb]* 55

Thailand

Newspaper Closed Over Report on Saudi Murders *[THE NATION 15 Feb]* 55
Chatchai Asks Chawalit To Mediate Port Strike *[THE NATION 15 Feb]* 56
Chawalit Reaffirms Support for Government *[BANGKOK POST 9 Feb]* 56
Article Discusses Problems Facing Chatchai *[THE NATION 12 Feb]* 57
Editorial Views Chatchai 'Political Storms' *[THE NATION 13 Feb]* 59
Interior Minister To Reshuffle Governors *[THE NATION 8 Feb]* 60
Military Official Comments on Border Fighting *[BANGKOK POST 14 Feb]* 60

Vietnamese Envoy on 'New Phase' of Relations *[THE NATION 9 Feb]* 61
Article Assesses Thai-Soviet Trade Relations *[THE NATION 11 Feb]* 62
1989 Capital Inflow Swells Financial Reserves *[THE NATION 26 Jan]* 63

Vietnam

Ryzhkov-Chatchai Talks on Cambodia Reported *[VNA]* 63
Spokeswoman on Cambodia, French Minister Visit *[Hanoi International]* 63
Radio Comments on Situation in Eastern Europe *[Hanoi International]* 64
CPV Leader on Opposition Political Parties *[Hanoi International]* 64
Army Journal Views Party Role on Anniversary *[Hanoi Radio]* 65
General Gives Interview on People's Army Day *[NHAN DAN 18 Dec]* 66
Mai Chi Tho Gives Interview on Security *[NHAN DAN 3 Jan]* 69
Swedish Delegation Visits Ho Chi Minh City *[VNA]* 71
Scandinavian Judicial Delegation Pays Visit *[VNA]* 71
More Greetings Received on Party Anniversary *[VNA]* 71
Message Sent to Bulgarian Communist Party Leader *[VNA]* 72
Nguyen Van Linh Greets Polish Party Leaders *[VNA]* 72
Irrigation Project Inaugurated in Mekong Delta *[VNA]* 72
Comparison of National Assembly Resolution 72

AUSTRALASIA

Australia

Soviet Prime Minister Ryzhkov Continues Visit 73
Holds Talks With Hawke *[AFP]* 73
Voices Support for CPSU *[AFP]* 73
Says Will Keep Kuriles *[AFP]* 74
Signs Agreements *[AFP]* 74
Views Cooperation With Hawke *[Melbourne International]* 75

Fiji

Ganilau Meets Opposition Leader Kuini Bavadra *[Melbourne International]* 76

New Zealand

Auckland Mayor Appointed New Governor General *[AFP]* 76

Papua New Guinea

Bougainville Crisis Forces Cut in Spending *[AFP]* 76

ASEAN Ministers Discuss Meeting on Cambodia

Alatas on Australian Plan

BK1402143890 Hong Kong AFP in English 1417 GMT 14 Feb 90

[Text] Kuching, Malaysia, Feb 14 (AFP)—The Association of Southeast Asian Nations (ASEAN) will endorse a United Nations interim administration for Cambodia at talks here, Indonesian Foreign Minister Ali Alatas said Wednesday. Mr. Alatas, speaking on his arrival here, said the group's foreign ministers would look at details of a U.N. role contained in an Australian peace proposal to end the 11-year-old Cambodia conflict. He said there was "general acceptance" so far among ASEAN countries of an enlarged U.N. role in Cambodia, which diplomats said would include supervising a ceasefire leading up to free elections.

Mr. Alatas said the informal meeting over dinner here Wednesday would be the first since Canberra floated its peace proposal late last year. ASEAN, which includes Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand, had earlier proposed forming an interim government of the four warring Cambodian factions before internationally supervised elections. But there was little progress on the proposal during two informal meetings in Jakarta of the four Cambodian factions, the ASEAN countries, Vietnam and Laos.

An international conference in Paris broke up in August when the Cambodian factions could not agree on a power-sharing plan. An Australian document on the peace plan was discussed in detail by senior ASEAN officials here Monday, ASEAN diplomats said.

The diplomats said that the proposal for a U.N. administration in Cambodia was also on the agenda for talks between ASEAN and European Economic Community diplomats, including several foreign ministers, here on Friday and Saturday.

Mr. Alatas said the proposal for a U.N. role in Cambodia, which was endorsed in New York on Tuesday by the five permanent members of the U.N. Security Council, was "a new idea" that would bypass earlier difficulties. The United States, Soviet Union, China, France and Britan are the five permanent U.S. Security Council members.

The ASEAN talks here are taking place ahead of a third informal meeting on Cambodia in Jakarta on February 26-28. ASEAN diplomats said their foreign ministers would discuss the principles that would govern the establishment of a U.N. administration before they examined details of the plan.

"The idea is to make sure that ASEAN speaks with one voice in Jakarta," an ASEAN diplomat said. Mr. Alatas said reports of the Khmer Rouge decision to attend the Jakarta talks were welcome news, but added that he had not received official confirmation of its participation. Other ASEAN diplomats said they were delighted by the Khmer Rouge's decision to go to Jakarta.

"This certainly improves prospects for progress," Ahmad Kamil Jaafar, secretary-general of the Malaysian Foreign Ministry, said.

Alatas on Dismantling Government

BK1502055490 Hong Kong AFP in English 0512 GMT 15 Feb 90

[Text] Kuching, Malaysia, Feb 15 (AFP)—The mechanics of dismantling the Phnom Penh government may be a major sticking point at the Jakarta talks on Cambodia later this month, Indonesian Foreign Minister Ali Alatas said Thursday [15 February]. He said that resistance leader Prince Norodom Sihanouk had called for a dismantling of both the Phnom Penh's Hun Sen government and the tripartite resistance coalition.

"But we have heard Hun Sen say that he will agree to the U.N. coming in if his government remains or a skeleton (of his administration) remains," Mr. Alatas said. The Indonesian foreign minister was speaking after a late night meeting of foreign ministers of the Associaion of Southeast Asian Nations (ASEAN) here Wednesday. The talks focused on an Australian proposal that the U.N. form an interim administration in Cambodia after a ceasefire leading up to free elections.

Prince Sihanouk's coalition will also have to vacate its seat at the U.N. under the Australian proposals.

Mr. Hun Sen said in Phnom Penh recently that he was prepared to accept two interim administrations leading up to U.N. supervised polls. He said one would be led by the resistance coalition in northwest Cambodia while his government would administer other areas under its control.

Mr. Alatas said that ASEAN had as a group Wednesday adopted the Australian proposal for a wider U.N. role in Cambodia "as a central idea" for discussion in Jakarta on February 26-28. "But everyone in ASEAN and other interested parties knows that in its details the contending parties are still very wide apart," he said.

ASEAN, a principal backer of Prince Sihanouk's coalition, groups Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand. Mr. Alatas said that the Australian proposals were "still very tentative and are continously being updated," adding, "there are various options."

"We will have to see how people react first to the entire proposal before looking at its various options," he said.

Diplomats said that an updated version of the Australian proposals built around an interim U.N. administration in Cambodia was discussed by senior ASEAN officials ahead of the ministerial talks here.

"The important thing is that the Cambodians among themselves should agree on a certain course of action on the actual form and modalities of a U.N. administration," Mr. Alatas said. He said that the ASEAN members

hoped that there would be "more forward movement" on other elements of a comprehensive settlement once agreement was reached on how to put a U.N. interim administration into place.

ASEAN Participation Confirmed

BK1502025990 Bangkok THE NATION in English 15 Feb 90 p 2

[By Yindi Loetcharoenchok in Kuching, Malaysia]

[Excerpts] ASEAN foreign ministers last night confirmed their participation at the forthcoming Jakarta informal meeting on the Cambodian conflict following a three-hour meeting to prepare their common stand for a conference with their EC counterparts.

Foreign Minister Sitthi Sawetsila said that Indonesia's Foreign Minister last night confirmed that the so-called Informal Meeting on Cambodia (IMC) will take place on Feb 26-28.

Sitthi said that most ASEAN ministers will arrive in Jakarta on Feb 25 to study the paperwork to be prepared by the host country.

Roland Dumas, the French state secretary for foreign affairs [as published], has also confirmed his participation at IMC, according to Sitthi, who added that the informal talks would predictably make an achievement so that the Paris International Conference could resume afterwards.

IMC, he said, will focus on UN role in the peace process in Cambodia, he said.

Alatas told reporters that ASEAN ministers last night accepted the Australian peace plan, particularly the theme on "enlarged UN role", as the central idea to be discussed at IMC.

But he said that there were still different ideas on details and the practical aspects of the proposal.

"The idea is still very tentative. We will have to see how people would react to the proposal and its various optional variations," he said.

Alatas said that Australia would participate in the informal talks as "resource delegate" to supply information on its peace formula.

Alatas expressed hope that the talks would prepare the way for an interim Cambodian administration ahead of UN-sponsored elections. [passage omitted]

Alatas said so far only the Chinese-backed Khmer Rouge has yet to formally accept the invitation to participate in the Jakarta talks, which would include the Cambodian factions, the six ASEAN countries, Vietnam, Laos, Australia and France, as Indonesia's co-chairman of the Paris international conference.

However, the minister said he had informally learned that the Khmer Rouge, militarily the strongest of the three resistance factions, would attend the informal talks, dropping their earlier demands that the UNSC's [UN Security Council] five permanent members also attend.

Alatas said Indonesia still wanted to limit the Jakarta talks to a regional effort.

"If we extend it too much, we defeat the propose of an informal get-together in a friendly and casual way with only those directly involved to make further progress."

He said the informal meeting set for Feb 26-28 was in preparation for a resumption of a second international conference on Cambodia in Paris.

Thai Foreign Minister Sitthi Sawetsila, who also arrived here yesterday for the AEMM [ASEAN-EC Ministerial Meeting], voiced support for the resistance's call for a dismantling of the two Cambodian governments under the Australian peace plan that would see a temporary UN administration care-taking the country.

Sitthi also confirmed that the Khmer Rouge titular leader, Khieu Samphan, will represent his Chinese-backed faction at the Jakarta talks.

ASEAN and European Community delegates in Kuching said they welcomed the Khmer Rouge decision to attend the talks and all expressed hope that the regional forum would have a successful outcome. [passage omitted]

EC To Drop Clause on Khmer Rouge

BK1502050790 Bangkok BANGKOK POST in English 15 Feb 90 p 8

[By Suphaphon Kanwirayothin in Kuching, Malaysia]

[Excerpt] In a bid to keep the atmosphere "most conducive" to an informal meeting on Cambodia in Jakarta, ASEAN has successfully convinced the European Community to drop a clause unfavourable to the Khmer Rouge in their draft joint communique, sources said yesterday.

As ASEAN foreign ministers arrived in Kuching yesterday, senior EC and ASEAN officials tried to work out the draft communique to be issued at the end of the ministerial meeting on Saturday.

Both sides eventually agreed that the Khmer Rouge could participate in the United Nations-organised general elections, with the EC agreeing to drop reference to the appalling history of the Khmer Rouge.

The draft communique, to be submitted for ministerial approval, will not contain wording that reflects the EC's resentment towards the Khmer Rouge and their past practices.

If endorsed by the ministers, it will be the first time the 12-nation European bloc will have said that they do not oppose to the Khmer Rouge participation in free and fair elections, officials said.

The EC came to Kuching with a position similar to that reflected by the European Parliament which also represents domestic public opinion against the Khmer Rouge, and the fear that the Khmer Rouge would seize power by military means during the pre-election period, one ASEAN diplomat said.

"EC has a very specific position towards the Khmer Rouge. They are against the return of certain personalities such as Pol Pot," said another ASEAN diplomat.

The EC originally wanted to state its position in the joint communique that the Khmer Rouge must be excluded from future Cambodia.

However, ASEAN insisted that such a statement would be "counterproductive" to the current peace process now that the Khmer Rouge has agreed to attend the Jakarta talks scheduled for the end of this month.

The EC reportedly explained that they oppose the return of the Pol Pot clique when they said the Khmer Rouge must be excluded, and that they are not calling for the entire exclusion of this militarily-strongest faction of the resistance, the ASEAN delegate said.

"We asked the EC to drop that part because the situation is very sensitive. We ought to keep the atmosphere most conducive for the Jakarta meeting," he added.

ASEAN also explained that the joint ministerial declaration is not for "EC domestic consumption" that should accommodate the resentment towards the Khmer Rouge, another delegate said.

"It's been clear that neither the EC nor ASEAN want the Khmer Rouge to take power by using force. Nor do we oppose their participation in the elections," an EC source said.

"The Khmer Rouge just agreed to go to Jakarta, so let's not say what would discourage them," said a senior official. [passage omitted]

Japan

Kaifu: Ready To Pay More for U.S. Forces

OW1402133090 Tokyo KYODO in English 1123 GMT 14 Feb 90

[Text] Naha, Feb. 14 KYODO—Prime Minister Toshiki Kaifu on Wednesday expressed his readiness to increase Japan's financial burden for U.S. military forces stationed in Japan in order to contribute to world peace.

Kaifu, meeting reporters here on a stumping tour for Sunday's general election, said it is natural for Japan to continue sharing more of the burden to keep nearly 50,000 U.S. military personnel in Japan.

On a possible reduction of U.S. troops in Japan, Kaifu said he will hear the stance of the U.S. Government and convey Japan's view when he meets U.S. Secretary of Defense Dick Cheney, who is scheduled to visit Japan February 20-24.

In his talks with Japanese leaders, including Kaifu, Cheney is expected to urge Japan to share more costs for maintaining U.S. troops in Japan. He may also ask Japan to open talks on the cutback of U.S. troops, which include 23,000 marines in Okinawa, Japan's sourthernmost island prefecture.

BOJ Governor Holds Briefing on Return From U.S.

OW1402193190 Tokyo KYODO in English 0934 GMT 14 Feb 90

[Text] Tokyo, Feb. 14 KYODO—Bank of Japan [BOJ] Governor Yasushi Mieno, at his first news conference upon returning from Washington, said Wednesday many U.S. officials were concerned about the adverse impact of the dollar's strength on the country's efforts to improve its trade deficit with Japan. The central bank chief also said key persons at the U.S. Federal Reserve Board [Fed], including Chairman Alan Greenspan, as well as other U.S. financial leaders he met during the five-day trip, shared the view that the U.S. economy is slowing but will not slip into a recession in the immediate future.

Mieno said these specialists cited as one positive sign of the steadiness of the U.S. economy the slow but improving sales of automobiles. The slump in the U.S. auto industry has been primarily blamed for the slowdown of the economy because car manufacturing, the nation's biggest industry, influences many other manufacturing sectors, such as steel.

Mieno called his first trip to the U.S. as central bank governor a courtesy visit and did not elaborate on the details of his talks with U.S. officials. But he told reporters that he explained the BOJ's present credit stance and its policy of maintaining a cautious and steady monetary course with an emphasis on price stability.

Fed Chairman Alan Greenspan said recently that the risk of a U.S. economic recession has diminished in the past several months, and termed the current slowdown a temporary hesitation.

Echoing his view, Mieno also has repeatedly noted that the Fed will not take a drastic action in its monetary policy to spur the economy, but appears likely to be set on a steady, cautious course for the moment. Asked about possible effects on markets of narrowing interest rate gaps between Japan and the U.S., Mieno reaffirmed the bank's stand to keep a careful eye on market movements, indicating that rate levels eventually would be determined through market moves. Describing the recent yen-dollar exchange rate movements as still unstable, Mieno repeated that the bank will, if necessary, take strong measures in currency markets in concert with other major industrial nations. Mieno, referring to the yen's current value against the dollar of a range between 143 yen and 145 yen, said the yen apparently has been undervalued against the U.S. currency.

Commenting on the prospect of a monetary union between the two Germanys, Mieno said he expects the move to contribute to developing a stable and sustained economic growth worldwide.

News of Bonn's intent to move toward monetary union sent West German bond yields soaring, spurred by fears that reunification of East and West Germany would raise the risk of an inflationary surge in West Germany. As a result, yields on the West German Government bonds rose above those on U.S. Government bonds on Monday for the first time in over a decade.

Asked about Drexel's financial woes, Mieno told reporters the bank is now collecting information and will carefully monitor developments in the U.S. junk bond market in conjunction with the Drexel announcement.

Drexel Burnham Lambert Inc. of the U.S., the most influential player in the junk bond market known as high-yield, high-risk transactions, said Monday it would seek a merger partner for Drexel's holding company, Drexel Burnham Lambert Group Inc., and was considering seeking court protection from creditors. Despite the unfavorable news, the U.S. markets appear to remain relatively calm, Mieno said. But he expressed concern that Drexel's financial problems could hurt some Japanese financial institutions, like nonbanking financial concerns, because they are believed to be holding several U.S. junk bond issues.

To date, Mieno said, there have been no calls from the Fed and other U.S. financial institutions for quick lending from Japan to help bail out the troubled U.S. securities company. But he said he did not rule out the likelihood of such calls from his U.S. counterparts.

U.S. Could Join Satellite Development Project

OW1402181690 Tokyo KYODO in English 1248 GMT 14 Feb 90

[Text] Tokyo, Feb. 14 KYODO—Japan plans to allow U.S. makers to join in Japan's satellite development project, which Washington suspects might form another trade barrier, government sources said Wednesday.

The sources said the Japanese Government will decide on satellite suppliers through an auction, not by arbitrary contracts as originally planned, in order to allow U.S. makers access to the government-sponsored development of the next-generation CS-4 satellite. A bidding by U.S.-Japan consortia is one of options now under consideration, the sources said.

The concessionary plan will be detailed following Sunday's general election, after which the Posts and Telecommunications Ministry begins design work, they said.

CS-4 will follow CS-3, which was developed in 1988 and has been handed over to a consortium led by Nippon Telegraph and Telephone (NTT) Corp. for later use.

The U.S. expressed concern that the government-backed project might create another trade obstacle for foreign companies if it leads to commercial application. It has threatened to retaliate against Japan, which it claims is engaged in unfair trade practices in a few fields including satellites, under the so-called Super 301 clause of the 1988 Omnibus Trade Act.

Japan, in response to the U.S. charges, has explained the project is aimed only at establishing Japan's own satellite technology and not at commercial use.

Steel Pact Gives Japan 5 Percent of U.S. Market

OW1502030390 Tokyo KYODO in English 2312 GMT 14 Feb 90

[Text] Washington, Feb. 14 KYODO—The U.S. and Japanese governments officially signed a new steel accord Wednesday which gives Japan a 5.0 percent share of the U.S. market for the first half or 15 months of the 30-month period ending in March 1992 which is covered by the new bilateral agreement, Japanese Government sources said.

The new accord, which will replace the old voluntary restraint agreement that expired as of the end of September last year, will increase the Japanese share of the U.S. steel market to 5.3 percent for the second half of the 30 months. Based on the previous steel accord, Japan had been allotted a 5.8 percent share by the U.S. in its steel market.

Under the new steel pact, Washington and Tokyo also agreed to work together in mapping out international rules on steel trade at the ongoing Uruguay round of multilateral trade talks. The elimination of trade-distorting subsidies and tariffs on steel goods, along with dispute-settlement measures, will be discussed at the multilateral round of talks in Geneva, the sources said.

The U.S. has already signed similar agreements with eight other allies, including the 12-nation European Community, Mexico, Poland, and Hungary. The U.S. government currently has bilateral steel trade agreements with a total of 17 trading allies, including Japan. It is expected to allocate 19.10 percent of its steel market for foreign-made steel products in the first half of the 30-month period, and 20.14 percent in the latter half.

Government To Survey Land Investment Abroad

OW1002043790 Tokyo KYODO in English 1416 GMT 9 Feb 90

[Text] Tokyo, Feb. 9 KYODO—Japan's Construction Ministry plans to survey investment by Japan's real estate dealers abroad in the wake of growing criticism of Japanese acquisition of real estate in various countries. The ministry will send questionnaires next week to some 1,800 real estate companies authorized by the ministry, to ask about their investment in real estate overseas between fiscal 1986 and 1988, officials said Friday.

The ministry will ask for each company's total investment overseas real estate during the three-year period and the countries in which the money was invested to purchase land, buildings, houses, condominiums and hotels, the officials said. The ministry will also ask about the Japanese companies' investment in large-scale resort development projects overseas and the prospects for their future investmemt in real estate abroad.

The ministry plans to compile the answers from the companies by the end of May.

According to the ministry, Japan's foreign investment in real estate is estimated to total 10 billion dollars in the fiscal year ending March 31. One-third of all Japanese investment in real estate abroad has been conducted by real estate dealers, the officials said.

MITI Worried About Toyota's Planned Expansion

OW1402005590 Tokyo KYODO in English 1238 GMT 13 Feb 90

[Text] Tokyo, Feb. 13 KYODO—The Ministry of International Trade and Industry (MITI) said Tuesday it will ask Toyota Motor Corp. to explain a planned production expansion in Japan which could draw fire from the United States and lead to further trade friction.

Toyota has unveiled a plan to increase its production capacity through building three new plants outside its base in Toyota, Aichi Prefecture. The move, unusual for Toyota, which has rarely gone beyond its homebase, is aimed at recovering the company's lost share in domestic sales. Japan's No. 1 automaker has set a production target for 1994 of 4.5 million vehicles, 500,000 more than the actual output in 1989.

The request by the ministry reflects its worries that a fortified Toyota could heighten U.S. concern over a possible increase in Japan's auto exports to the U.S. A ministry official said the U.S. may raise the problem at upcoming Structural Impediments Initiative (SII) talks, due to be held in Tokyo beginning February 22.

MITI To Monitor Chemical Exports for Arms Use

OW1402224090 Tokyo KYODO in English 1347 GMT 14 Feb 90

[Text] Tokyo, Feb. 14 KYODO—The Ministry of International Trade and Industry (MITI) will restrain exports of chemicals which might possibly be used in manufacturing chemical weapons, government sources said Wednesday. The ministry will work out monitoring rules and begin to implement them in February, at the earliest, for the first such move by any country in the world, the sources said. The rules will present 22 examples of scenarios which could lead to chemical weapons' production, including insufficient explanation about chemical materials and purpose of their usage, they said.

The planned rules were proposed and well received at a meeting in December of Western countries striving for regulation of exports of chemical weapons' materials, according to the sources.

Agreement With UK To Boost Cooperation Abroad

OW1002061690 Tokyo KYODO in English 0339 GMT 10 Feb 90

[Text] London, Feb. 9 KYODO—Japan and Britain have agreed to boost their bilateral cooperation in other countries, including those in Eastern Europe, [words indistinct] officials said Friday. The agreement came at the two-day 10th annual meeting of Japan's Ministry of International Trade and Industry and its British counterpart, the Ministry for Trade and Industry, which ended in London on Friday.

They decided to hold working-level talks on February 27 in Tokyo to detail the planned cooperation, the officials said.

At the meeting, Japanese representatives also explained a new information processing technology the ministry has been developing, in which British officials have expressed interest, they said. They have also agreed to expand investment in each other, increase exchanges between researchers, and promote joint research on new technology, the officials said.

Further Reportage on House Election Campaign

No More TV Debates

OW1402130090 Tokyo KYODO in English 1215 GMT 14 Feb 90

[Text] Tokyo, Feb. 14 KYODO—The ruling and opposition parties gave up the idea of holding another TV debate among their leaders after negotiations on the issue collapsed Wednesday, four days ahead of Sunday's general election. Working-level officials from the ruling Liberal Democratic Party (LDP) and five opposition parties met to prepare for the debate but failed to reach an agreement, officials said.

The LDP is reluctant to accept an opposition demand to include two minor parties, the United Social Democratic Party (Shaminren) and the Progressive Party, in the debate. The two parties were excluded from the previous nationally televised debate on February 2.

The Democratic Socialist Party and the Japan Communist Party had proposed holding another public debate following the previous one.

Kaifu Prediction

OW1402150090 Tokyo KYODO in English 1340 GMT 14 Feb 90

[Text] Naha, Okinawa Pref., Feb. 14 KYODO—Prime Minister Toshiki Kaifu indicated Wednesday that his ruling Liberal Democratic Party (LDP) would capture a majority in Sunday's House of Representatives election. Speaking to reporters during a stumping tour in Naha, Okinawa Prefecture, Kaifu, president of the LDP, said that he has had a favorable reaction from voters toward policies pursued by the ruling party. Kaifu, however, did not specify how many seats he thought the LDP would win in the 512-member lower chamber election.

The LDP said the same day that it has added one more conservative independent to its roster of candidates for Sunday's general election, bringing its total to 338, including 60 newcomers.

Meanwhile, Koshiro Ishida, chairman of Komeito, the second largest opposition party, said at a press conference in Himeji, Hyogo Prefecture, that the party is likely to win 50 seats in the election. Komeito will make last-minute efforts to have all its 58 candidates secure a seat in the election, said Ishida, who was here to campaign for a Komeito candidate running in the election. Ishida reiterated Komeito's refusal to cooperate with the LDP after the election, saying it is premature to talk about realignment of the political community.

Eiichi Nagasue, chairman of the fourth-ranked opposition party, the Democratic Socialist Party (DSP), said the DSP would aim to capture 26 seats in the election. The middle-of-the-road party is fielding 44 candidates. During his stumping stop in Osaka, Nagasue stressed the importance of expanding realistic third-party forces in the Diet to avoid direct confrontation between the two largest parties, the LDP and the Japan Socialist Party (JSP). Nagasue also said that four noncommunist opposition parties—the JSP, Komeito, the DSP, and the United Social Democratic Party (Shaminren)—should continue their talks on forming a coalition government even if the LDP retains its majority in the powerful Lower House.

Yamaguchi Prediction

OW1402224290 Tokyo KYODO in English 0938 GMT 14 Feb 90

[Text] Tokyo, Feb. 14 KYODO—Tsuruo Yamaguchi, secretary general of the Japan Socialist Party (JSP), said Wednesday about 120 party candidates had virtually ensured their election to the House of Representatives four days ahead of Sunday's general election. Yamaguchi, in a meeting with reporters at the Japan National Press Club, said that the figure of 120 was based on the party's perception of public response. The party held 83 seats when the lower house was dissolved on January 24. He said the JSP is hoping to have more than 140 candidates elected in constituencies across Japan. The party is fielding a total of 161 candidates.

Yamaguchi accused the Liberal Democratic Party (LDP) of conducting a money-oriented general election campaign, saying the JSP had spent only 2 billion yen compared with at least 30 billion yen used by the ruling party for the campaign.

He said the JSP would have talks with three other opposition parties—Komeito, the Democratic Socialist Party (DSP) and the United Social Democratic Party (USDP)—to choose a prime ministerial candidate after the election. Yamaguchi promised to deliberate the budget bill for fiscal 1990 in parliament if the LDP agrees to scrap the 3-percent consumption tax.

Prior to Yamaguchi's speech, Hideo Den, an adviser of the United Social Democratic Party which is fielding only six candidates, predicted the LDP would win a majority in the lower house election.

Yuichi Ichikawa, secretary general of Komeito, reiterated the party's intention of scrapping the consumption tax, introduced in April last year, saying the party has no room to compromise on the issue with the LDP, which has proposed to have a second look at the tax. Ichikawa complained that the JSP had not presented to Komeito and the two other opposition parties any official documents displaying the JSP's key policies, which is a precondition for the establishment of a four-party coalition government.

The JSP, Komeito, the DSP and the USDP have differed over policies on defense, the Japan-U.S. security treaty and nuclear power stations.

Mitsuhiro Kaneko, secretary general of the Japan Communist Party (JCP), defended scientific socialism, saying, "not scientific socialism but the Stalinist-based rigid bureaucracy collapsed in East European countries and the Soviet Union."

KYODO Poll

OW1502030190 Tokyo KYODO in English 2306 GMT 14 Feb 90

[Text] Tokyo, Feb. 15 KYODO—The ruling Liberal Democratic Party (LDP) will probably secure at least a simple majority in the House of Representatives following Sunday's general election with the likelihood it will win more than a stable majority, according to a KYODO news service opinion poll. The nationwide KYODO survey predicts the largest opposition party, the Japan Socialist Party [JSP], will increase its seats by more than 40 but other opposition parties will suffer setbacks.

The poll was carried out on February 9-11 through questioning of some 110,000 of the 90 million eligible voters from all 130 electoral districts across the country. A total of 81,957 people responded. The survey shows the LDP is likely to win 272 seats in the 512-seat lower house, a cut from its predissolution strength of 295. This would enable the party to retain control of all Diet standing committees. The projection shows there are more than 10 conservative independents expected to win and then join the LDP after the election.

Depending on voter turnout and the voting pattern of those voters as yet undecided, the LDP may get as many as 285 seats. At worst, the LDP will gain 259 seats. The LDP won a record 304 seats in the previous general election in 1986. However, the party lost its majority in the House of Councilors following a crushing defeat in the July upper house election last year.

The survey shows the LDP is doing strongly in rural constituencies by consolidating conservative votes because of fierce fighting among rival LDP candidates in the same constituencies. The LDP is regaining the conservative vote by instilling a sense of crisis over the present capitalist system while young LDP candidates are on the offensive, the survey indicates.

The KYODO poll gave the JSP 127 seats, a sharp rise from the 83 that it held when the lower house was dissolved, capitalizing on its leader Takako Doi's high popularity. The JSP suffered an historic setback in the 1986 general election, gaining a record low of 85. Projections based on the survey show that the best the JSP can hope for is 135 seats and the worst it will score 116.

Two centrist parties, Komeito and the Democratic Socialist Party [DSP], and the Japan Communist Party [JCP] are likely to lose some seats, according to the poll. The Komeito, which held 54 seats when the lower house was dissolved, is expected to capture 47 seats. The Buddhist-backed party will win 54 seats at the most and 40 at worst. The DSP is likely to win 21 seats, down from 25 at the time of dissolution. It may gain as many as 26 and at least 12. The JCP will capture 20 seats, down from 26, and 25 at best and 13 at worst.

The United Social Democratic Party will retain four seats but may at worst lose one seat, according to the projection. The Progressive Party is expected to retain one seat. Independents are likely to win 20 seats, plus seven or minus five. More than 10 young conservative independents are fighting very well and threatening incumbent LDP candidates.

The final outcome of the election should depend on the weather on ballot day Sunday and the uncommitted voters. The poll shows that just under 30 percent of eligible voters were still uncommitted at the time of the survey.

NHK Poll

OW1502082490 Tokyo NHK General Television Network in Japanese 1000 GMT 11 Feb 90

[Text] According to an NHK poll, the Liberal Democratic Party [LDP] is likely to maintain its majority, a central point in the lower house elections. The election will decide whether a reversal of roles between the governing and opposition parties occurs. In an effort to survey the lower house election situation, the NHK conducted a poll of 108,000 voters in 130 constituencies across the country for two days on 4 and 5 February and analyzed the election situation based on the poll results and other data supplied by local NHK stations. According to the analysis, about 420 seats, or more than 80 percent of the total 512 seats by party, were virtually decided, while candidates were competing fiercely for about 90 seats.

The LDP was slowly regaining the electorate's support after last year's upper house elections, in which the ruling party suffered a reverse, securing more than 230 seats, while dozens of LDP-backed candidates were waging favorable election campaigns. In addition, there were about 30 candidates campaigning in constituencies in which their victory was uncertain. As a result, the LDP is likely to win 257 seats, which will give it a majority. On the other hand, the Japan Socialist Party [JSP] has virtually secured nearly 120 seats, far exceeding its 82 seats at the time of the Diet dissolution, and candidates backed by the party were fighting for about 20 seats. The Komeito, the Japan Communist Party, and the Democratic Socialist Party were waging difficult election campaigns in face of an offensive by the LDP and JSP. Komeito has secured about 42 seats, compared with 54 at the time of the Diet dissolution, and its candidates were competing in dozens of constituencies. The Japan Communist Party has virtually secured more than 10 seats, compared with 26 at the time of the Diet dissolution, and its candidates are competing in about 10 constituencies.

On the other hand, the Democratic Socialist Party is seen winning about 10 seats, compared with 25 at the time of dissolution and about 10 candidates backed by the party are struggling. The Social Democratic Federation has a lock on three seats against four at the time of the dissolution, with one seat questionable. The Progressive Party is likely to retain one seat.

Independent candidates, including those backed by the LDP and opposition parties, are seen winning about 10 seats.

With lower house elections one week away, on 18 February, the NHK poll found that more than 30 percent of the electorate are undecided about whom they will vote for and there are many fluid factors. Therefore, the present situation does not warrant predictions.

Thailand To Receive 81 Billion Yen Loan

OW1402085690 Tokyo KYODO in English 0742 GMT 14 Feb 90

[Text] Tokyo, Feb. 14 KYODO—Japan will extend an official loan package to Thailand amounting to over 81 billion yen to promote the country's economic stabilization and development, Foreign Ministry officials said. The up to 81,154 million yen in low-interest loans for fiscal year 1989, which ends March 31, represents the 15th credit package extended to Thailand by Japan's Overseas Economic Cooperation Fund (OECF) since 1968, officials said.

The loan package was formally agreed upon in Bangkok earlier Wednesday through an exchange of diplomatic documents between representatives of both countries. The loans, which are untied except for the procurement of consultants, will bear an annual interest rate of 2.7 percent, repayable over a 30-year period, including a 10-year grace period, officials said.

The money is earmarked for 11 development projects, including an export industry modernization program, power distribution and extension, rural electrification, port construction and highway and railway expansion.

Officials said the OECF dispatched a survey mission to Thailand for an environmental impact assessment before agreeing to assist in the two new road projects and one new railway project.

Japan is the largest bilateral aid donor to Thailand, accounting for some 70 percent of its overseas funding on a net basis in 1987, the last year for which figures are available. The most recent loan package represents a 7 percent increase over the 75.818 billion yen contained in the 14th OECF loan package pledged in fiscal 1987, officials said.

Controversial Burmese Diplomat Leaves for Home

OW1502050490 Tokyo KYODO in English 0417 GMT 15 Feb 90

[Text] Tokyo, Feb. 15 KYODO—A Myanmar diplomat who was asked to cooperate with police questioning here in connection with his discovery of a time bomb in the Myanmar Embassy in Tokyo last year left Narita Airport for home on Thursday morning. U Tun Ngwe, a counsellor, at the Myanmar Embassy, reported he had found a time bomb within the embassy compound in Tokyo's Shinagawa Ward on November 13 last year. He was asked by the Metropolitan Police Department to appear for questioning to help the police inquiries into the incident, but refused to do so, citing diplomatic immunity.

The envoy's return home forced police to virtually end their investigation into the incident.

Police said they regarded U Tun Ngwe as a key person in the incident, as no other embassy staff saw the time bomb, made of plastic explosive for military use called Composition-4, before he found it. Police said they also believed no other persons could have entered the embassy compound from outside. They said the bomb was made from different components from those used by the Japan's Self-Defense Forces and its electric detonator was a product of Southeast Asia.

The embassy recently notified the Japanese Foreign Ministry it would send U Tun Ngwe back home on February 15, police said.

Chinese Hijacker Applies for Political Asylum

OW1402180490 Tokyo KYODO in English 1507 GMT 14 Feb 90

[Text] Tokyo, Feb. 14 KYODO—The Tokyo immigration office has received an application for political asylum in Japan from a Chinese hijacker, officials said Wednesday. The application was submitted to Justice Minister Masao Goto by Zhang Zhenhai, 36, who is being held here in connection with the December 16 hijacking of an Air China Boeing 747.

The authorities reserved comment on Zhang's request. But there is little likelihood that Zhang will be identified as a political refugee because Goto had said earlier Japan plans to extradite him to Beijing as requested by the Chinese Government, government sources said.

Zhang was transferred on January 11 from Fukuoka Detention House to Tokyo for a court hearing on whether he should be extradited to China. He was detained at Fukuoka on December 16 after hijacking an Air China plane bound from Beijing to New York.

Toshiba Develops 4-Megabit SRAM Chip

OW1402071990 Tokyo KYODO in English 0624 GMT 14 Feb 90

[Text] Tokyo, Feb. 14 KYODO—Toshiba Corp. said Wednesday it has developed a prototype 4-megabit static random access memory (SRAM) chip using thin-film transistors as memory cells for the first time.

A Toshiba official said using thin-film transistors as memory cells in SRAMs will improve reliability and reduce power consumption compared to conventional devices and dynamic random access memories (DRAMs) on the market today. He added the chip will be ideal for battery-powered equipment such as portable personal computers, electronic diaries, and integrated circuit memory cards. A memory cell is a unit which stores one bit of information.

Researchers designed the complementary metal oxide semiconductor (CMOS) by using 0.5-micron microlithography to pack more than 25 million transistors onto a tiny 7.8 millimeter by 17.42 millimeter chip that features an access time of 23 nanoseconds. A nanosecond is one-billionth of a second.

An SRAM is a type of semiconductor memory that differs from the DRAM in that it does not require a refresh circuit to maintain input data or information stored. Data stored in SRAM remains there until changed or until power is removed.

The chip also has an integration density of a 16-megabit DRAM, which will be the next generation of chips after the 4-megabit DRAM now in pilot production, the official said.

NEC Develops First 16 Megabit Eprom

OW1302071190 Tokyo KYODO in English 0527 GMT 13 Feb 90

[Text] Tokyo, Feb. 13 KYODO—NEC Corp. said Tuesday it has developed the first 16 megabit erasable programmable read-only memory (eprom) chip, four times the capacity of current four megabit eproms. An NEC official said the 0.6 micron memory device was fabricated by an intricate processing technique adopted by the company for manufacturing semiconductor devices. A micron is one-thousandth of a millimeter. An eprom is a type of memory chip on which a program can be written electronically and will not lose its contents even if power is removed. The chip can be erased by exposure to ultraviolet rays and reused by burning other information onto it.

NEC researchers were able to pack 18 million elements on to a 7.1 millimeter by 17.1 millimeter chip which can retrieve a piece of information at a speed of 85 nanoseconds, the official said. A nanosecond is one-billionth of a second.

NEC plans to make a statement on the successful development of the chip in the United States at an international conference to be held in San Francisco on February 14, the official said.

North Korea

Letter To South Adopted by DPRK Meeting

SK1502104690 Pyongyang KCNA in English 1007 GMT 15 Feb 90

[Text] Pyongyang February 15 (KCNA)—The letter adopted at the second joint meeting of representatives of the government and political parties of the Democratic People's Republic of Korea which was held in Pyongyang on February 14 was handed over by liaison officials of our side to liaison officials of South side at Panmunjom at 3 p.m. today to be conveyed to No Tae-u,

"president" of South Korea and president of the "Democratic Liberal Party", Kang Yong-hun, "prime minister", and Kim Tae-chung, president of the Party for Peace and Democracy.

The full text of the letter reads:

The representatives of the Government and political parties of the Democratic People's Republic of Korea had the second joint meeting on February 14 and discussed immediate measures for materializing the proposal for the convocation of a North-South top-level conference involving the heads of the authorities and the leaders of political parties in keeping with the obtaining situation.

At the joint meeting we made a comprehensive analysis of the situation that had changed recently and unanimously recognized the need of more active efforts and reasonable measures to convene the conference, and are sending this letter to you.

As we pointed out in our letter dated January 9, the new proposal of negotiation put forward by respected President Kim Il-song in his New Year address is a patriotic initiative signifying a turning point in resolving our national problem which remains unsolved for 45 years.

This proposal is now evoking ever greater repercussions at home and abroad with each passing day, and inspiring all the fellow countrymen with new hope for and conviction of national reunification.

The world peaceloving people warmly welcome our proposal to pull down the concrete wall built in the area south of the Military Demarcation Line and realize free travel and a full-scale open door between the North and the South, regarding it as an excellent measure conducive to peace in the Korean peninsula and Asia.

In a short period of one month since our proposal was made public, governments, political parties and organizations of more than 100 countries of the world took solidarity steps supporting this new proposal and the worldwide concern for the reunification of the Korean peninsula has become very deep with this as an occasion.

Our proposal is accepted also by the South Korean people of all walks of life with great expectation and joy and favorably responded by the opposition party and dissidents.

All the facts clearly prove that our epochal proposal for peaceful reunification is a just one which fully reflects the desire of the entire fellow countrymen for national reunification and indicates a correct way for making a breakthrough in reunification.

We draw a great inspiration from this and are optimistic about its materialization.

If there still remains a thing uncertain, it is the negative stand and attitude of the South Korean authorities toward our proposal.

The South Korean prime minister's reply letter dated February 1 indicates that the North and the South still have difference over no small number of problems.

We, first of all, were greatly surprised by the South Korean authorities' denial of the existence of the concrete wall they built themselves.

Such rash act deceiving the entire fellow countrymen and the world people and fooling even their own conscience cannot be construed otherwise than an intention to leave intact the concrete wall, the symbol of national division, by all means and physically keep the present state of closure between the North and the South and the division of the country.

Your side is saying that it welcomes free travel and full-scale opening. However, as long as your side tries to keep the concrete wall, nobody would believe this.

The authorities of your side, in answer to our proposal for free travel and full-scale opening, proposed "an agreement on traffic, communications and trade". It is, in essence, aimed at letting the North and the South have exchange as two states and get on like aliens, not for reunification as one nation.

At a time when the South Korean authorities are trying to join the United Nations separately and persistently pursuing the "two Koreas" policy, the settlement of such problems as traffic, communications and economic interchange cannot be any help to the country's reunification.

We consider that if these problems are to be solved, your side's will for reunification must be confirmed first of all and your side should express its readiness to pull down the concrete wall as its proof.

What is very regrettable in the South Korean prime minister's reply letter is his wrong prejudice about the form of talks.

To pull down the concrete wall in South Korea and realize free visits and full-scale opening is a crucial political problem concerning the vital interests of the whole nation. If a just solution of this problem is to be found, a wide-range negotiation that can represent the general will of the nation must be arranged.

This notwithstanding, the South Korean authorities persist only in "summit talks", excluding even the legal opposition party from the dialogue. This is against the idea of universal democratic politics and contrary to the "democratic principle" for the settlement of the unification question called for by them.

Of course, we pay attention to the top-level talks between the sides and envisage the participation of the head of the authorities in the proposed conference.

So, if the South Korean authorities truly hope for a top-level meeting, they have no reason to reject the form of negotiation proposed by us, we think.

A main point we cannot but take into account in realising our proposal for the conference is the "Team Spirit" joint military exercises now under way in South Korea and the political restructuring.

The large-scale joint military exercises staged annually with the U.S. Forces is a factor that further aggravates the tension and blocks the normal progress of dialogue in our country.

The "Team Spirit" joint manoeuvres this year, too, brought the multi-channeled North-South dialogues to a suspension all at once and cast a dark shadow on our new proposal for the conference.

We consider that if the South Korean authorities truly want dialogue and welcome free travel and complete opening, they must ponder over the grave consequences of the "Team Spirit" joint manoeuvres.

We are addressing this second letter to the South Korean authorities and the existing two political parties today, but this does not mean confining our negotiating partners to them or fixing them as such.

Those political parties which are coming into being following the political restructuring in South Korea should also take part in the conference, and they should be invested with the right of partnership to the conference.

After examining all the afore-said problems which have cropped up after the publication of our new proposal for peaceful reunification and clarifying our principled stand on them, we propose the following immediate measures in order to arrange at an early date a North-South top-level conference involving the heads of the authorities and the leaders of political parties in keeping with the prevailing situation:

Firstly, the authorities of your side should manifest, first of all, their readiness to pull down the concrete wall, a symbol of national division and North-South confrontation, in order to realize free travel and complete opening.

Secondly, taking note of the fact that the authorities of your side called for "summit talks," welcoming free travel and complete opening, we make it clear that a top-level meeting of the two sides may be arranged separately within the framework of the conference.

Thirdly, we are ready to meet with the authorities and representatives of political parties of your side separately or collectively at any time and in any place in an opportune period in future, if it is necessary for a successful arrangement of the conference.

Fourthly, we will always keep the door open for negotiation not only to the authorities and the existing opposition political party of your side but also to any political party to be founded in future so that the conference may fully reflect the will of the whole nation.

Fifthly, the authorities of your side should stop the ongoing "Team Spirit 90" joint military exercises at an early date to resume the multi-channeled North-South dialogue stalled now and create an environment favorable to the convocation of the conference.

The above-mentioned immediate measures of five points reflect our sincere desire to arrange the conference as early as possible and thus open an epochal phase for national reunification.

We are ready to sincerely deal with other problems raised by you, if they are helpful to the convocation of the conference, and to narrow down each other's differences.

The responsible politicians of the North and the South must not remain indifferent even a moment to the voices of the fellow countrymen calling for reunification nor turn their faces away any longer from the nearly half a century long sufferings from national division.

Our new peaceful reunification proposal and negotiation overture are patriotic appeals of all the politicians in the North to realize the desire of the 70 million fellow countrymen for national reunification.

We hope that you will prudently approach our proposal for the convocation of the conference and the new five-point immediate measures promising a bright future of national reunification, and send a sincere reply to it.

'Five-Point Immediate Measures' of Letter Noted

SK1502110290 Pyongyang KCNA in English 1034 GMT 15 Feb 90

[Text] Pyongyang February 15 (KCNA)—Representatives of the government and political parties of the Democratic People's Republic of Korea held the second joint meeting on February 14 and discussed immediate measures to realise the proposal for the convocation of a North-South top-level conference involving the heads of the authorities and the leaders of political parties in keeping with the obtaining situation.

The joint meeting fully examined the changed situation and unanimously recognized the need to invigorate the efforts and take reasonable measures for the convocation of the conference and adopted a letter to the authorities and the heads of the political parties of South Korea.

The letter addressed to "president" of South Korea and president of the "Democratic Liberal Party" No Tae-uo, "premier" Kang Yong-hun and president of the Party for Peace and Democracy Kim Tae-chung was conveyed to the South side at Panmunjom today.

The letter recalled that in his reply letter dated February 1 the South Korean premier denied the existence of the concrete wall built by the South Korean authorities themselves and expressed a wrong prejudice about the form of talks.

Noting that the "Team Spirit" joint military exercises and the political restructuring have cast a dark shadow on our new proposal for the convocation of the conference, the letter says:

After examining all the afore-said problems which have cropped up after the publication of our new proposal for peaceful reunification and clarifying our principled stand on them, we propose the following immediate measures in order to arrange a North-South top-level conference involving the heads of the authorities and the leaders of political parties in keeping with the prevailing situation:

Firstly, the authorities of your side should manifest, first of all, their readiness to pull down the concrete wall, a symbol of national division and North-South confrontation, in order to realize free travel and complete opening.

Secondly, taking note of the fact that the authorities of your side called for "summit talks," welcoming free travel and complete opening, we make it clear that the top-level meeting of the two sides may be arranged separately within the framework of the conference.

Thirdly, we are ready to meet with the authorities and representatives of political parties of your side separately or collectively at any time and in any place in an opportune period in future, if it is necessary for a successful arrangement of the conference.

Fourthly, we will keep the door open for negotiation not only to the authorities and the existing opposition political party of your side but also to any political party to be founded in future so that the conference may fully reflect the will of the whole nation.

Fifthly, the authorities of your side should stop the ongoing "Team Spirit 90" joint military exercises at an early date for the resumption of the multi-channeled North-South dialogue stalled now and creation of an environment favorable to the convocation of the conference.

The above-mentioned immediate measures of five points reflect our sincere desire to arrange the conference as early as possible and thus open an epochal phase for national reunification.

We are ready to sincerely deal with other problems raised by you, if they are helpful to the convocation of the conference, and to narrow down each other's differences.

We hope that you will prudently approach our proposal for the convocation of the conference and the new five-point immediate measures promising a bright future of national reunification, and send a sincere reply to it.

NODONG SINMUN on Labor Leader Trial

SK1302120090 Pyongyang KCNA in English 1033 GMT 13 Feb 90

[Text] Pyongyang February 13 (KCNA)—The No Tae-u group passed jail terms on five persons including the former chairman of the trade union strike leadership of the Hyundai Heavy Industries on February 8 at the puppet Pusan high court, defying the protest of more than 20,000 workers.

Castigating this fascist outrage, NODONG SINMUN today in a signed commentary says:

The outrage is a vicious challenge to the workers demanding the acquittal of their fellow workers and an open threat of armed suppression to all South Korean workers struggling for their vital rights and democracy as this disclosed the criminal attempt of the fascist junta to trample upon the workers' vital rights and democratic liberties and launch a wholesale crackdown upon the labour movement. Recalling that the No Tae-u group, shifting the responsibility for the daily deepening economic crisis on to the workers, are brutally suppressing their strike to win the right to existence, etc. With "government power", branding it as "illegal," the commentary goes on:

This is an unpardonable anti-popular, undemocratic move to keep as ever South Korea as a zone of murderous low wage and a wasteland of labour movement.

What must not go unnoticed is that the No Tae-u clique preaches that if the South Korean economy is to get rid of crisis, it is necessary to bring "peace to industry". "Industrial peace" mouthed by them is nothing but a sophism intended to conceal their crime in having plunged the South Korean workers into the abyss of utter non-right and poverty and, at the same time, put down such basic rights of workers as three rights of labour with strong-arm and intensify the exploitation and plunder of them and thus maintain the brutal military fascist rule.

The No Tae-u clique had better not talk about "industrial peace", shifting the blame for the economic crisis on to the workers, but scrap the evil laws on labour and put an end to the harsh military fascist terror rule.

South Korean Defector Holds News Conference

SK1402222790 Pyongyang KCNA in English 1520 GMT 14 Feb 90

[Text] Pyongyang February 14 (KCNA)—Yi Chae-kwan who had come over to the northern half of the country some time ago after serving as an executive of the South Korean Samsong Yujin electric home appliances company met with home and foreign reporters at the People's Palace of Culture today.

Hailivg from Kapyong, Kyonggi Province, Yi, 25, finished primary and middle schools in Seoul and graduated from an electronics technology institute before

serving as a clerk of the Samsong Chongam agency and the Samsong Southwest agency. In the summer of 1988 he took up the post of an executive of the Samsong Yujin electric home appliances company.

Explaining the motive of his coming over to the northern half of the country, he said:

Taking advantage of my job, I could read books and hear about the North. In this course I learned that policies for the working masses are shaped in the North and, under these policies, all of the people live an equal life as the master of the country and everyone enjoys free education, studying and working to his heart's content.

It made me think that the North is not such an unequal society as the South but a society where the people can live in peace. So, while travelling abroad as a tourist in December last year, I came over to the North to seek a true life, he added.

Giving a full detail of the weakness of South Korean electronic industry, he said:

South Korea depends on the United States and Japan in core accessories and core technologies for electronic products advertised so noisily by it. The rate of dependence on the United States and Japan in this domain is 61 percent and the deficit from this amounts to 1,150 million dollars. It is said at home and abroad that South Korean electric home appliances have foreign-made internal organs and home-made cases bearing home trademarks. And they rely on cheap price rather than on better technology and style to win in marketing competitions.

Pointing out that great is the gulf between the workers and the rich in the South, Yi Chae-kwan said:

The workers cannot earn the minimum living cost for their back-breaking toil. So it is not uncommon that a whole family takes poison or drowns itself, while a handful of the privileged circles spend more money than necessary at luxurious houses. South Korea is really a cursed society.

I was compelled to part with my girlfriend because I had no money, he said, adding:

Such things are not confined to me. This shows the class confrontation between the upper circles and poor people and the contradiction of the structure of South Korean society.

The North, a socialist society, has bestowed all kinds of benefits on me and kindly greeted and taken a good care of me as if it found out the lost child, he said.

Feeling grateful for this system which accords me warm hospitality, he said, I wrote a letter of thanks to respected President Kim Il-song and the dear leader Mr. Kim Chong-il a few days ago. Then, he read the letter.

In his letter he vowed to study and work hard till the day of national reunification to repay the solicitude of the great leader President Kim Il-song and the dear leader Mr. Kim Chong-il.

Commentary Views Beating of South Korean Student

SK1402104190 Pyongyang KCNA in English 1029 GMT 14 Feb 90

["Who Is Behind Terrorism Against Student?"—KCNA headline]

[Text] Pyongyang February 14 (KCNA)—Chong Tong-chin and five other gangster teachers of the Sosok High School in Kwangju, South Korea, brutally beat a student named Kim Chong-su for forty minutes, leaving him in a critical condition, when he tried to demand the reinstatement and release of teachers and students connected with the "National Teachers' Union" (Chongyojo) at the graduation ceremony. Commenting on the shocking atrocity, NODONG SINMUN in a signed commentary today says:

The terrorism was not an accidental outrage of a few gangster teachers, but a premeditated and organized act of murder committed by the No Tae-u group bent on blocking the activities of "Chongyojo" and stifling it at the point of bayonet.

The incident is an irrefutable proof that the No group let loose right-wing gangsters along with the police force in stamping out "Chongyojo".

The news analyst says:

The South Korean rulers do not hesitate to put in fetters people demanding independence, democracy and reunification and arrest workers who rise up in the struggle for existence and even commit fascist terrorism against a high school boy.

What savage fascist tyrants and murderers they are!

The brutal police crackdown is coupled with atrocious terrorism of right-wing gangster organizations of all descriptions, making students and workers demanding independence, democracy and reunification and the right to existence shed blood and depriving them of their lives quite often. This tragic reality is the real picture of "democracy and welfare" loudly advertised by the traitor No.

The root cause of all the misfortunes in South Korea is none other than the traitor No Tae-u who engages himself in man-killing.

U.S. Secretary Cheney's Trip to Seoul Reported

SK1502111990 Pyongyang KCNA in English 1111 GMT 15 Feb 90

[Text] Pyongyang February 15 (KCNA)—U.S. Defense Secretary Cheney flew into South Korea Wednesday [14 Feb] for U.S.-South Korea "defense ministers talks," according to a report.

In his arrival statement he said his Seoul trip was aimed to "reconfirm the commitments" made by Bush during his visit to South Korea last year. He blared that the U.S. "commitments" are "firm" and "unequivocal".

Bush's "commitments" recalled by him were "commitments" to guarantee "security" of the shaking puppet regime by the U.S. Forces' permanent occupation of South Korea and by the strengthening of their colonial rule.

The fact that Cheney talked about "reconfirmation of the commitments" upon arrival in South Korea indicates that the U.S. imperialists are trying all the more desperately to give a shot in the arm to the group of No Tae-u, Kim Yong- sam and Kim Chong-pil who are now facing a new resistance after staging the drama of grand conservative coalition according to a U.S. script and, thus, to encourage them in their treacheries and strengthen colonial domination over South Korea through them.

What should not be overlooked here is the fact that they intend to examine the preparations in South Korea for a war against the North and further goad the puppets onto moves against the DPRK and against reunification through Cheney's trip to Seoul which is timed to coincide with the "Team Spirit 90" war maneuvers.

MINJU CHOSON on Menetrey Senate Testimony

SK1302120690 Pyongyang KCNA in English 1038 GMT 13 Feb 90

[Text] Pyongyang February 13 (KCNA)—MINJU CHOSON today comes out with a commentary hitting at the outcry of U.S. Armed Forces commander in South Korea Menetrey opposing the cutback and withdrawal of the U.S. Forces from South Korea at a hearing of the U.S. Senate Armed Services Committee on February 9.

The news analyst says:

His outcry represented the true intention of the U.S. ruling quarters flurried by the daily mounting public opinion demanding the cutback and withdrawal of the U.S. troops from South Korea. It is a crafty ruse to realize their Korean and Asian strategy, keeping their troops in South Korea, come what may.

Menetrey described the U.S. troops in South Korea as "a deterrent to southward invasion" by someone. But this is sheer nonsense.

We have declared more than once that we have no intention to "invade the South". And the world recognises this. When "southward invasion" is no more than a fiction, Menetrey cried that the cutback of the U.S. Forces would "diminish the deterrent force against southward invasion". This only reveals the U.S. imperialists' intention to stay in South Korea for an indefinite period.

Far-fetched is his claim that the U.S. military cut in South Korea would result in "precipitating arms race in Asia".

It is very ridiculous and shameless of Menetrey to say that, if the U.S. Forces are to be cut in South Korea, the North and the South of Korea must make a "balanced reduction of their military strength" through dialogue.

Facts clearly tell that "military cut" and "detente" vociferated about by the U.S. imperialists are nothing but an artifice to deceive people.

The U.S. imperialists must not make such a war maniac as Menetrey spin out a string of illogical sophism but withdraw their aggression forces from South Korea as early as possible in keeping with the flow of times and the demands of the world's peaceloving people.

USSR Statement on Troop Withdrawal Noted

SK1502012590 Pyongyang Domestic Service in Korean 1300 GMT 13 Feb 90

[Text] According to TASS news agency reports, on 11 February, the Soviet Government issued a statement regarding the issue of withdrawing foreign troops in Europe.

The statement indicated that the Soviet Union and other participating countries of the Warsaw Pact are not waiting to see the realization of the Vienna Agreement, but rather are taking measures to unilaterally reduce their arms. It also emphasized that, in order to realize military detente, it is fundamentally important to withdraw its troops and abolish its bases from foreign territories.

In the statement, the Soviet Union revealed that it confirms its position of being faithful to the previous announcement of withdrawing all foreign troops from the territories of foreign nations in Europe from 1990 to 1995, and of abolishing all military bases in foreign territories by the year 2000. It also elucidated that the Soviet Union is willing to withdraw or reduce its troops that are stationed in foreign territories according to the mutual agreement with its allied countries.

Yon Hyong-muk Meets With Soviet Coal Minister

SK1402223290 Pyongyang KCNA in English 1500 GMT 14 Feb 90

[Text] Pyongyang February 14 (KCNA)—Premier of the Administration Council Yon Hyong-muk today met and

had a friendly talk at the Mansudae Assembly Hall with the delegation of the soviet Ministry of Coal Industry led by its minister M.I. Shchadov.

Minister of Coal Industry Kim Ni-yong and Soviet ambassador to Korea Gennadiy Bartoshevich were present.

Film Cooperation Agreement Signed With USSR

SK1002110290 Pyongyang KCNA in English 1036 GMT 10 Feb 90

[Text] Pyongyang February 10 (KCNA)—A 1990 working plan on cooperation in moviedom between the DPRK Ministry of Culture and Art and the USSR State Committee for Cinematography was signed here today.

Present at the signing ceremony were Chang Chol, minister of culture and art, and other officials concerned and on the opposite side were the members of the delegation of the committee headed by its vice-chairman V.G. Makoveyev and charge d'affaires ad interim of the Soviet Embassy here Boris Morozov.

The plan was signed by vice-minister Kwon Hyok-pong and head of the delegation V.G. Makoveyev.

Nuclear Power Delegation Returns From Cuba

SK1302113590 Pyongyang Domestic Service in Korean 1300 GMT 9 Feb 90

[Text] Our country's Ministry of Atomic Power Industry delegation led by Minister Choe Hak-kun returned by plane today after visiting Cuba. (Chae Hui-mun), vice minister of the Atomic Power Industry Ministry; Juan Jose Leon Vega, Cuban ambassador to our country; and Boris Morozov, charge d'affaires ad interim from the Soviet Union were on hand at the airport to greet the delegation.

Chon Yon-ok-Led Delegation Returns From Cuba

SK1302080790 Pyongyang Domestic Service in Korean 1300 GMT 9 Feb 90

[Text] On 9 February, our country's delegation led by Chon Yon-ok, vice chairman of the committee for cultural relations with foreign countries, returned from Cuba by plane after participating in the nonaligned countries' ministerial meeting on the role of women in development. The functionaries concerned and Juan Jose Leon Vega, Cuban ambassador to our country, were on hand at the airport to meet the delegation.

Yi Chong-ok Attends Symposium on WPK

SK1402050090 Pyongyang KCNA in English 0445 GMT 14 Feb 90

[Text] Pyongyang February 14 (KCNA)—A central symposium on the great idea and theory and immortal leadership exploits of the Workers' Party of Korea [WPK] was held at the People's Palace of Culture Tuesday [13 Feb].

It was attended by Yi Chong-ok, member of the Political Bureau of the C.C. [Central Committee], the WPK and vice-president, Kim Chung-nin, secretary of the C.C., the WPK, and other senior officials.

Papers were read at the seminar.

The speakers said that thanks to the outstanding idea and theory and great leadership of the WPK, the revolutionary cause of chuche has made a long drive along a road of victory, all spheres of the revolution and construction have greeted a great heyday and an era of efflorescence and the Korean people have become a proud people who are courageously advancing under the banner of the chuche idea.

Dear Comrade Kim Chong-il laid down the programme of modelling the whole society on the chuche idea by inheriting and further developing the great leader Comrade Kim Il-song's idea of the strategic line of socialist and communist construction. This is an absolutely scientific programme of communist construction and a great revolutionary banner of our time to reeducate people and transform society and nature as demanded by the chuche idea so as to successfully conquer the ideological and material fortresses of communism and completely realise the chajusong of the working masses, noted the speakers.

They also pointed out that in strengthening the party and enhancing its leadership role, dear Comrade Kim Chong-il defined it as the most important matter to achieve firm unity and cohesion of the whole party in ideology and purpose behind the leader and establish bonds between the party and the masses and has wisely guided the work to realize it.

They noted that in the course of wisely leading the people to have a high consciousness of national independence and communist revolutionary spirit, our party made sure that they, deeply cherishing in their minds the chuche idea, the revolutionary traditions of our party and the true superiority of our socialist system, confidently advance along the road of socialism and communism with the conviction of certain victory and revolutionary optimism.

Our party gave comprehensive answers as to the principled foundations of the revolutionary work system and method and their essence, the fundamental demand arising in establishing them and ways for their realisation and comprehensively established the party's monolithic leadership system and the chuche-oriented work method by its wise leadership, the speakers said, adding:

The revolutionary will to carry to accomplishment the revolutionary cause of chuche by consistently applying the great leader's ideas and lines under the leadership of the party is the mental power cherished by our people as their

life and soul and a most solid and noblest iron will which will not sway, no matter which way the wind may blow, and not change no matter how many years may go by.

Meeting of Government, Political Parties Held

SK1402102690 Pyongyang KCNA in English 1001 GMT 14 Feb 90

[Text] Pyongyang February 14 (KCNA)—The second joint meeting of representatives of the government and political parties of the Democratic People's Republic of Korea was held here today. [14 Feb]

Present at the meeting were officials of the Central Committee of the Workers' Party of Korea, the Central Committee of the Korean Social Democratic Party, the Central Committee of the Chondoist Chongu Party, the Central People's Committee, Commissions and ministries of the Administration Council of the DPRK.

The meeting discussed the agenda "on the immediate measures for materialising the proposal for the convocation of a North-South top-level conference involving the heads of the authorities and the leaders of political parties in keeping with the obtaining situation".

The meeting recalled with satisfaction that the new proposal for national reunification set forth by the great leader Comrade Kim Il-song in his New Year address has been fully supported and approved by broad segments of Koreans in the North and the South and abroad and has evoked a storm of response from the governments, political parties and organizations and figures of various strata in all countries of the world desirous of peace in Korea and its reunification, and reaffirmed the validity of the new proposal for national reunification.

The joint meeting paid deep attention to the reaction of the South Korean political circles to the letter sent to the authorities and leaders of all political parties of South Korea for the convocation of a North-South consultative meeting to realize the new proposal for national reunification and analysed and examined the reply letter from the South Korean authorities dated February 1.

The joint meeting paid deep attention to the fact that "political restructuring" has taken place in South Korea and there are brisk movements for founding new political parties among opposition and dissident forces since our letter was conveyed to the South Korean partners of negotiation and expressed a more optimistic view on the prospect of the convocation of the consultative meeting.

The joint meeting, on the basis of an overall analysis of the change of the situation surrounding the convocation of the consultative meeting, decided to promote more actively the convocation of the North-South consultative meeting for the realization of the new proposal for national reunification and sincerely discussed measures to this end.

At the unanimous request of the representatives of the government and political parties, the joint meeting decided to send a letter containing our principled stand and new active measures for the proposal to convene the consultative meeting to the authorities and leaders of all political parties of South Korea and the letter was adopted with unanimous approval.

The meeting decided that Comrade Yon Hyong-muk, premier of the Administration Council of the DPRK, upon authorization, should send the letter which was adopted at the meeting to No Tae-u, "president" of South Korea and "president" of the "Democratic Liberal Party"; Kang Yong- hun, "prime minister"; and Kim Tae-chung, president of the Party for Peace and Democracy.

The session made it clear that the door of the consultative meeting is open to the parties to be inaugurated in the future in South Korea and expressed expectation for their efforts and role for the independent and peaceful reunification of the country.

At the end of the joint meeting, a firm determination was expressed to open a new bright prospect on the road of the independent and peaceful reunification of the country by arranging the North-South consultative meeting at any cost this year, the first year of the '90s, and the hope was evinced that the responsible politicians in South Korea would make every sincere effort for a successful convocation of the North-South consultative meeting, to realize the new proposal for national reunification, irrespective of differences in ideology, political view and ism.

GFTUK Plenary Meeting Held in Pyongyang

SK1302235690 Pyongyang KCNA in English 1525 GMT 13 Feb 90

[Text] Pyongyang February 13 (KCNA)—The 19th Plenary Meeting of the Central Committee of the General Federation of Trade Unions of Korea [GFTUK] was held in Pyongyang on February 12 and 13.

Discussed there were tasks of trade union functionaries to thoroughly implement the tasks set in the New Year address of the great leader President Kim Il-song and the decisions of the 17th Plenary Meeting of the Sixth Central Committee of the Workers' Party of Korea. The report of Won Tong-ku, chairman of the Central Committee of the Federation, was followed by speeches.

It was stressed at the meeting that the trade union members should beguided to intensify the drive for increased production and economy in all domains and at all units under the slogan of the party "Let us make the existing economic foundations pay off by increasing production and practising economy!" And the revolutionary banner of self-reliance.

At the meeting specific tasks were set before the trade union organizations in different domains of the national economy including coal, power and metal industries and

railway transport to successfully hit the immediate targets of socialist economic construction.

It was emphasized that the trade union organizations should actively organize and mobilize their members in the three-revolution red flag movement and the movement to follow the example of the unassuming heroes so that all of them might live and struggle heroically.

Meeting Welcomes Release of Nelson Mandela

SK1502013190 Pyongyang Domestic Service in Korean 1300 GMT 13 Feb 90

[Text] On 13 February, a meeting was held at the Central Workers' Hall to welcome the release of Nelson Mandela, former president of the African National Congress of South Africa.

At the meeting hall, slogans reading "We warmly welcome the release of Nelson Mandela!" and "Firm solidarity for the South African people's struggle to liquidate apartheid!" were posted on the wall.

Comrade Ho Tam, member of the Political Bureau of the Central Committee of the Workers' Party of Korea [WPK] and secretary of the Central Committee of the WPK; Kim Pong-chu, chairman of the Korean Committee for Asian-African Solidarity; (Pak Tong-chun), vice chairman of the Korea Society for Cultural Relations with Foreign Countries; Sim Hong-kyu, vice chairman of the Central Committee of the General Federation of Trade Unions of Korea; Kim Chang-yong, vice chairman of the Central Committee of the League of Socialist Working Youth of Korea; and other functionaries concerned participated in the meeting with the workers of the city.

Chairman Kim Pong-chu spoke at the meeting. He said that he warmly welcomes the release of Nelson Mandela, former president of the African National Congress of South Africa who has undauntedly fought against racism for a long period of time. He also stated that Mandela's release means a common victory of the world progressive people including the people of South Africa and the African Frontline States who have resolutely struggled against imperialism and racism.

He said that the Korean people who treasure the independence of the people, have in the past, strongly denounced the policy of racial discrimination pursued by the South African racists under the instigation of the imperialists, and the Korean people positively supported and encouraged the South African people in their just struggle for freedom and liberation.

He said that apartheid still remains in force although the ban on the activities of the African National Congress of South Africa was lifted and its leader was released. He also stressed that racial discrimination and apartheid in South Africa must be completely eliminated.

A letter to Nelson Mandela was adopted at the meeting.

People's Army Hero Kim Kwang-chol Dedicated

SK1302235990 Pyongyang KCNA in English 1519 GMT 13 Feb 90

[Text] Pyongyang February 13 (KCNA)—An article entitled "True Son of the Great Party" on the late Second Lieutenant Kim Kwang-chol of the Korean People's Army, has evoked widespread repercussions upon the readers.

A few days ago NODONG SINMUN dedicated a whole page to a story about his heroic deed.

Kim Kwang-chol, a 25-year-old platoon commander, saved ten odd soldiers by covering a handgrenade on the point of explosion with his body at the cost of his life.

Late January, his platoon was on a combat duty. There were several recruits in the platoon. The platoon members moved according to rules. It was the first combat task for the recruits. Kim Kwang-chol helped and took care of them on their combat duty. An unexpected situation was created before the advancing platoon. A handgrenade with its safety pull pin removed fell at the foot of a soldier. There were ten or more soldiers around him. When the primer was going to be struck Kim Kwang-chol furiously pushed away the soldiers and covered the handgrenade on the point of explosion with his body.

The handgrenade exploded the moment.

Kim Kwang-chol displayed noble self-sacrificing spirit for his comrades and soldiers.

His heroic deed is the priceless and shining feat that can never be exchanged for hundreds of years of an ordinary life.

His self-sacrificing spirit was a heroic spirit which can be displayed only by our People's Army soldiers, chuche-type revolutionary soldiers produced by the age of the Workers' Party of Korea.

The readers say Kim was an admirable young commanding officer of our People's Army and his heroic deed is the mirror for our life.

Major of the Korean People's Army Chu Song-nam said Kim Kwang-chol covered the handgrenade with his body to save his men, though there was a hollow just a step behind him. He was really a fine son of our party and a reliable commanding officer of our revolutionary armed forces.

Colonel of the Korean People's Army Yun Chong-kil said Kim Kwang-chol, a chuche-type young commanding officer of the new generation, will remain an excellent mirror and model who showed how our a-match-for-a-hundred soldiers should spend every moment of their life.

Pyongyang Dwelling House Construction Accelerated

SK1402222290 Pyongyang KCNA in English 1502 GMT 14 Feb 90

[Text] Pyongyang February 14 (KCNA) - The construction of flats for 50,000 families is progressing at fast speed in Pyongyang, the capital city of the Democratic People's Republic of Korea.

The whole capital city has turned out to carry into reality the grand blueprint for building apartment houses for 50,000 families by the end of 1991 by completing flats for 20,000 households now under construction and constructing those for 30,000 families in Nakrang street and in the second-stage project of Kwangbok street.

The great leader President Kim Il-song has said:

"While developing light industry and agriculture rapidly this year we must build many modern houses in Pyongyang and other cities, towns and villages and provide more and better food, clothing and housing for the people, to meet the requirements of socialism."

The construction of dwellings for 50,000 households is very vast in scale.

In a few years before the 13th World Festival of Youth and Students, more than 260 construction projects including the 150,000-seat may day stadium were completed in Pyongyang. The construction program of the capital for the two years to come is 1.5 times those in scale.

A turn has been effected in the construction of the capital from the 1970s to the '80s.

In this period there appeared in Pyongyang such grand monuments of the age as the tower of the chuche idea and the arch of triumph, the Pyongyang maternity hospital, the Changgwang health complex, the ice rink, the Grand People's Study House, the Mansudae art theatre, the Pyongyang department store No. 1, the Chongryu restaurant and the fun fairs in Mangyongdae and Mt. Taesong and so on, all of which are conducive to the improvement of the material and cultural life of the people.

And Kwangbok, Changgwang, Munsu and An Sang-taek streets and Chollima street of second stage have been built so as to provide the citizens with more convenient and cultural living conditions.

They are associated with the clear-sighted leadership and deep solicitude of dear Comrade Kim Chong-il. Having built Pyongyang more beautifully and magnificently and provided the citizens with better living conditions he has taken care this time that houses for 50,000 families are built.

He indicated the orientation and ways of building those houses, saying it was something unprecedented in the history of construction to erect flats for 50,000 families in just two years.

Naknang Street is being built in the Southern area of the capital. It consists of eight residential blocks lying on both sides of the 120 meter-wide boulevard extending 5,000 metres from the Naknang bridge completed in 1984 to the area of the east Pyongyang thermal power station under construction.

All the apartment houses are big. Each of them is mostly hundreds of metres, over 400 metres at maximum, in length. Some of them can accommodate as many as 1,500 families.

It is designed to build schools, nurseries, kindergartens, clinics and cultural and service facilities in residential blocks.

Houses for 20,000 families will be built by the end of 1991 and tens of thousands of more houses in the later period.

The second-stage construction of Kwangbok Street has begun to broaden the approach to it and build more big houses in the blocks, rendering more depth to them. New flats for 10,000 households will be built.

A ring-shape road going round the whole area of kwangbok street will be completed in the second stage.

When the construction of the houses for 50,000 families is completed, the housing problem of the citizens will be solved more satisfactorily.

West Coast Waterway Project Nears Completion

SK1402102890 Pyongyang KCNA in English 1012 GMT 14 Feb 90

[Text] Pyongyang February 14 (KCNA)—The waterway project in the plain areas on the west coast, major granaries of Korea, has entered the final stage.

More than 100 large ducts and some 50 waterway tunnels, waterway bridges and open ditches have been built through mountains and across valleyes in a few months since the start of the project. As a result, the waterway more than 400 km long has taken shape on the whole.

The builders are now pushing on the structure project and the assembling of equipment.

There has been established a circular irrigation system in Korea.

The waterway project now under way is a grand nature-remaking work to consolidate the already completed irrigation of agriculture and steadily increase agricultural production free from fickle weather.

When the project is completed, the problem of irrigation water will be solved more sufficiently for the vast fields of North and South Hwanghae Provinces and North and South Pyongan Provinces and in the tidal flats now under reclamation.

New Material for Optical Devices Developed

SK1302235590 Pyongyang KCNA in English 1517 GMT 13 Feb 90

[Text] Pyongyang February 13 (KCNA)—New material for optical devices has been developed in Korea.

It is produced with domestic raw materials and equipment. It promises a mass production of highly efficient optical devices widely applicable to automation and machine industries and other fields of the national economy.

A production centre of the materials enough for tens of thousands of optical devices annually is now under construction at the Ongnyu Automation Instrument Factory in Pyongyang.

South Korea

Further Reportage on Cheney Visit to Seoul

Talks With No Tae-u Reviewed

SK1502093090 Seoul YONHAP in English 0856 GMT 15 Feb 90

[Text] Seoul, Feb. 15 (YONHAP)—President No Tae-u hinted in talks with U.S. Defense Secretary Richard Cheney on Thursday said that South Korea is willing to assume operational control of the Korean Armed Forces in peacetime and replace the head of the Military Armistice Commission with a Korean officer.

No told Cheney, here on a four-day visit, "We could consider the operational control of Korean Armed Forces, which has so far been exercised by the South Korea-U.S. Combined Forces Command, being transferred to the Korean side in peacetime and reverting to the U.S. side in time of war." The president also suggested a Korean lead the South Korea-U.S. combined delegation to the Military Armistice Commission meetings with North Korea at the truce village of Panmunjom, instead of an American officer, said Kim Chong-whi, presidential secretary for national security.

"The two issues could be discussed later among Korean and U.S. Officials involved in the matter, including South Korea's foreign and defense ministers, U.S. Ambassador to Seoul Donald Gregg and Commander of the 8th U.S. Army Gen. Louis Menetrey," Kim quoted No as saying.

No's remarks imply a change in the role of U.S. Forces stationed in South Korea.

During the talks at Chongwadae, the presidential office, No expressed his understanding of U.S. financial difficulties in maintaining troops in South Korea but said: "Combat capability for reliable deterrence and defense should remain. Close consultation is important in economical management of the U.S. troops here. Adjustment of the American forces should be used as a bargaining chip in connection with changes in North Korea's attitude."

Cheney arrived Wednesday afternoon on the first leg of a two-week Asian tour that will take him to Japan and the Philippines to discuss a reduction of U.S. forces in those nations and other military concerns. Cheney said it is desirable for South Korea to play a leading role in its own defense while the United States takes on the role of assistant by making up for Korea's shortcomings in areas such as intelligence. The minimum U.S. commitment would include in addition the 2nd U.S. Infantry Division and airborne capability, he said. The top Pentagon official delivered president George Bush's unchanged commitment to Korean defense and explained the need for an adjustment in U.S. troops in South Korea and Seoul's share of the defense burden.

Cheney told No the views of the American people and Congress are changing based on the developments in Europe and so pressure to cut military spending is mounting. The Bush administration is being pressed to report to Congress on the reduction of troops in Asia and ways to use American forces in the region by April 1.

No and Cheney shared the view that North Korea continues to seek to communize the South despite changes, opening and reforms in other parts of the world, according to Kim.

Meets State Defense Minister

SK1502115990 Seoul Domestic Service in Korean 1000 GMT 15 Feb 90

[Text] The defense ministers of the ROK and the United States reached an agreement in principle to reduce by approximately 5,000 the U.S. Forces in Korea over the next three years. However, they said that the reduction will be gradual and will not undermine military strength. Reporter Kim Chae-chol reports on the ROK-U.S. defense ministers' meeting held this afternoon and on the joint news conference.

[Begin Kim recording] In the joint news conference held after the defense ministers' meeting at the Defense Ministry this afternoon, Defense Minister Yi Sang-hun, and U.S. Defense Secretary Cheney revealed that they had reached an agreement in principle to reduce approximately 5,000 troops of the U.S. Forces in Korea over the next three years, and that they had decided to proceed gradually with their plan so as not to undermine military strength. The two countries' ministers said that they are sure that there will be further progress in ROK-U.S. military cooperation, as a result of the meeting.

On the issue of sharing defense spending, the two countries' ministers said that, in consideration of the ability of the ROK, it has been decided to increase the ROK

contribution to medical insurance and retirement benefits to Korean personnel employed by the U.S. Forces in Korea. In addition, the ROK and the United States agreed that the ROK-U.S. combined command system in Korea, which has been headed by the U.S. Forces, will be developed into a command system led by the ROK Forces. They revealed that negotiations have begun toward that goal.

As to the issue of relocating Yongsan base, the two countries' ministers said that after a basic agreement is signed next month between the ROK and the United States, negotiations over the Yongsan base relocation will continue, with the goal of relocating the base by the mid-nineties.

In addition, they said that they reached an agreement that the ROK should offer another golf course in return for closing down the golf course on Yongsan this year.

The two ministers said that to press ahead with such work, a four-man committee, composed of the foreign minister and the defense minister from the ROK side, and the U.S. ambassador to Korea and the combined commander from the U.S. side, will be formed to continue the negotiations. [end recording]

Negotiations With U.S. on JUSMAG-K Reported

SK1502090490 Seoul KYONGHYANG SINMUN in Korean 13 Feb 90 p 1

[Text] It was learned on 13 February that the Joint U.S. Military Assistance Group in Korea [JUSMAG-K]—which the United States originally sent to South Korea to manage and deal with its military aid to South Koraa—still remains in South Korea today, some 10 years after the U.S. military aid to South Korea ended.

According to a government source, our government has had negotiations with the United States either to sharply reduce the size of the JUSMAG-K or to completely withdraw it. It has been learned, however, that the U.S. side has reacted negatively to our demand for a sharp reduction in its size, or for its complete withdrawal.

The original purpose of the JUSUMAG-K was to manage the military aid to the South Korean army and to provide military technological assistance and military education. It has been learned that the number of persons now belonging to the group is about 90. This is nine times as many as in Japan and West Germany. The U.S. military units in Japan and West Germany which are similar to the JUSMAG-K have only 10 persons or so each.

According to government officials concerned with national security affairs, the expenses for stationing the JUSMAG-K in South Korea have been borne by our government, and its members have received the privilege of immunity from taxation like diplomats.

According to a government official concerned, now that the function of the JUSMAG-K has changed and because of financial difficulties, the government has urged the U.S. side to sharply reduce the size of the group.

Government officials concerned with national security affairs stressed: The original purpose of the JUSMAG-K was to manage and deal with U.S. military aid to South Korea. The U.S miliary aid to South Korea was suspended at the end of the seventies. Therefore, the size of the JUSMAG-K should be sharply reduced.

Government officials concerned disclosed that the JUSMAG-K is now engaged in promoting arms sales to South Korea, researching arms markets in South Korea, and collecting military intelligence in South Korea, which are different from its original purpose. They said that, therefore, the size of the JUSMAG-K should be reduced to the same level as ones in Japan and West Germany.

The JUSMAG-K is a later version of the Korean Military Advisory Group [KMAG].

DPRK Conditionally Accepts Nuclear Inspection

SK1502012090 Seoul Domestic Service in Korean 2300 GMT 14 Feb 90

[Text] North Korea, which has long been known to be developing nuclear weapons, is now attracting attention by saying that it will accept the inspections of nuclear facilities by the International Atomic Energy Agency [IAEA] on condition that U.S. nuclear weapons reportedly deployed in the ROK are removed.

Correspondent Yi Chun-pal in Tokyo reports:

[Begin Yi recording] According to news reports in YOMIURI SHIMBUN today, which quoted a U.S. source, North Korea has recently demanded that U.S. nuclear weapons reportedly deployed in the ROK be removed if it is to accept the IAEA's inspections of nuclear facilities in its territory. Thus, North Korea has taken the United States to a new task.

North Korea has formally made such a request in the 11th IAEA negotiations for signing a treaty allowing inspections of nuclear facilities. To date, in its negotiation with the IAEA, North Korea has asserted that it is entitled to nuclear development for peaceful purpose and that it is a different matter from the U.S. imperialists' nuclear weapons deployed in the ROK, making the removal of U.S. nuclear weapons a condition for accepting inspections of nuclear facilities.

Concerning this, a U.S. expert on Korean peninsula affairs said that the North Korean side's assertions indicate that nuclear weapons on the Korean peninsula will become a very important issue in the future.

Although North Korea signed the international treaty on the nonproliferation of nuclear weapons in 1985, it has refused to sign the treaty allowing inspections of nuclear facilities which the signatories to the former should sign

within 1 year's time. That fact has been brought to world attention through various data and the U.S.-Soviet foreign ministers' talks.

The source added that the negotiations between North Korea and the IAEA are slated for next month and that it is worth watching to see how the United States and the Soviet Union react to them.

Meanwhile, a Tokyo source well informed on North Korea said today that, based on unconfirmed intelligence, there was a demonstration in Pyongyang toward the end of last month to call for democratization, the first of its kind. SANKEI SHIMBUN quoted the source as noting the possibility that even in North Korea a movement for democratic reform can surface.

North Korea is reported to have become edgy about the democratization in the Soviet Union and East Europe and has intensified its crackdown, including an imposition of strict controls on the entries and exits of foreigners and its own citizens in and out of Pyongyang since mid-January. [end recording]

Further on South Telephone Message to North

SK1402132290 Seoul YONHAP in English 1241 GMT 14 Feb 90

[Text] Seoul, Feb. 14 (OANA-YONHAP)—South Korea urged North Korea again Wednesday [14 Feb] to agree to a memorandum guaranteeing faithful implementation of the agreements reached in the South-North sports talks for forming a single Korean team in the Beijing Asiad.

Seoul's chief delegate to the inter-Korean sports talks Chang Chung-sik reconfirmed such a position of the South in his telephone message to his Northern counterpart Kim Hyong-chin, asking the North to show up with "positive" attitudes toward the proposal by Feb. 20 at the latest.

Chang made the remarks in reply to the North Korean chief delegate's message Monday that requested the South to accept the three controversial preconditions tabled by the North in the last ninth meeting on Feb. 7.

"The North has no reason not to accept our proposal, if it really wants to send a joint team to the Asiad," said Chang. Chang also argued that the three preconditions proposed by the North in the ninth meeting are designed to deliberately block the South from taking part in the Asiad.

One of the preconditions demands that both Koreas jointly declare not to participate separately in the Asiad under any circumstances should the sports talks fail to form a single team.

Shevardnadze Statement on 'Wall' Discussed

Seoul Expresses Regret

SK1502021690 Seoul YONHAP in English 0150 GMT 15 Feb 90

[Text] Seoul, Feb. 15 (YONHAP)—South Korea officially expressed regret Wednesday that, owing to an incorrect understanding of the reality of the Korean peninsula, Soviet Foreign Minister Eduard Shevardnadze has accepted false North Korean charges that Seoul has built a wall across the Korean peninsula.

Last week's regrettable remarks about a Korean wall indicate that, having heard only North Korea's propaganda, Shevardnadze misunderstands that something like the Berlin Wall exists on the Korean peninsula and blocks free travel, a Foreign Ministry spokesman said.

In a news conference following talks with U.S. Secretary of State James Baker in Moscow last Saturday, Shevardnadze said, "a wall exists across the Korean peninsula dividing one people from another. The international community should aim to break down this Korean wall and ensure the free movement of peoples."

South Korea has denied the existence of any wall along the border with North Korea after North Korean President Kim Il-song mentioned it in his New Year message.

"We believe the Soviet Union, which seems interested in easing tensions on the Korean peninsula, should have a correct understanding of realities on the peninsula," he said, adding that the South Korean Government will make every possible effort to correct misunderstandings.

Shevardnadze's claim that Seoul has failed to respond properly to a proposal by Pyongyang for the removal of this non-existent wall and free travel shows "he overlooked the fact that Pyongyang has unilaterally suspended inter-Korean dialogue despite Seoul's steady efforts to promote exchanges and opening between the two Koreas," he said.

In the message, the North Korean leader demanded South Korea remove "a concrete wall in the demilitarized zone (DMZ)."

The South promptly denied the existence of such a wall and took foreign journalists on a tour of the DMZ to show them there are in fact only tank traps built outside the DMZ.

Nevertheless, the spokesman welcomed the joint communique issued by Shevardnadze and Baker in Moscow on the Korea problem. There are no formal ties between Seoul and Moscow, although a limited consular function exists between them.

The joint statement formally recognized the need to alleviate tensions on the Korean peninsula and promote inter-Korean dialogue, he said.

"The recognition reflected our government's position as discussed in advance between Korea and the United States," he said.

Editorial on 'Moscow's Misconception'

SK1402003390 Seoul THE KOREA HERALD in English 14 Feb 90 p 4

[Editorial: "Moscow's Misconception"]

[Text] Soviet Foreign Minister Eduard Shevardnadze called for international efforts to break down the "Korean wall" now that the Berlin Wall dividing the two Germanys is being dismantled. At the end of a visit to Moscow by U.S. Secretary of State James Baker, he told a news conference that a wall exists across the Korean Peninsula dividing the Korean people, and the international community should aim to break down the wall and ensure the free movement of peoples.

The Soviet Union was right to point out the need for removing a barrier here which prevents the free movement of the Korean people between the two divided parts of the country. But it was wrong, when referring to the Korean wall, to mean a fictitious concrete barrier along the Demilitarized Zone which north Korea claims south Korea has built to prolong the divided state of the peninsula.

The statement of Shevardnadze was received at first in a symbolic sense but later the Soviet Foreign Ministry spokesman said it referred to the south Korean barrier, expressing regret at Seoul's inaction on the north Korean demand for its removal.

In the meantime, the U.S. State Department endorsed the fact that there exists no such barrier along the Korean truce line, saying it would welcome the Soviet appeal only if it meant the "barrier of distrust" between the two parts of Korea.

It is disappointing to note that the Soviet Union, with all its reform drive under the perestroyka policy of Mikhail Gorbachev, has its eyes closed to the reality of Korea where tension is still running high because of the obstinate and militant position of the North Korean Communists.

The concrete barrier north Korea mentioned is the barricades in a few sections of the western corridor intended to bar the invasion of enemy tanks. They are military structures serving a defensive purpose on a limited scale, having nothing to do with the peaceful movement and exchange of people.

Perceptive Soviet watchers suspect that the unchanged basic outlook of the Soviet Union in foreign and military affairs, in spite of its apparent modifications, is at play. The suspicion is particularly strong as far as its Far Eastern policy with regard to north Korea is concerned.

It should now take note of the anachronistic nature of the Pyongyang regime and prod it to follow the worldwide trend toward openness, dialogue, liberalization and cooperation. The old Soviet misconception about Korea must go.

Investments in Soviet Union May Become Easier

SK1402004190 Seoul THE KOREA TIMES in English 14 Feb 90 p 8

[Text] The government's tight controls on investment in the Soviet Union is likely to be eased in order to step up economic cooperation and trade exchanges.

Informed sources disclosed yesterday that the administration is considering easing controls on investments of less than $10 million in the Soviet Union to pave the way for businessmen to actively advance into the giant socialist country.

The sources, however, noting the present industrial and economic situation in the Soviet Union, said that priority would be given to manufacturers of consumer goods and the service industry.

The sources forsee a Seoul-Moscow accord on economic cooperation or an agreement on protection of investment sometime this year after Kong No-myong assumes his duties as the first chief of the Korean consular department in Moscow.

The Korean and Soviet consular departments were established in the capital cities of the two countries on Feb. 1., and Kong, currently ambassador to the United Nations, is to leave for Moscow next month.

Investments by Koreans in the Soviet Union are expected to rise remarkably, riding on the favorable mood created by the expansion of investments by American and Japanese industrialists in the country.

The sources pointed to the on-going trade talks between the United States and the Soviet Union and a trade agreement to be concluded at the Gorbachev-Bush summit talks slated for June as key indicators of the new investment atmosphere.

Japanese firms are trying to make inroads in the Soviet market, mainly in the form of joint ventures for plants producing electric and electronics products, foodstuff and cars and for such service industry as hotels.

Of two investment proposals, only the $460,000 project requested by Jindo Corp. was approved. The project suggested by Daewoo Group to construct a hotel is still on hold.

A food-related business and hotel construction, projected by Lotte and Hyundai in the Soviet Union, respectively, are expected to be authorized by the government.

Korea's exports to the Soviet Union last year are estimated at about $200 million and imports at around $400 million.

Moscow Radio Cited on State Investment in USSR

SK1202123090 Seoul CHUNGANG ILBO in Korean 7 Feb 90 p 2

[From NAEWOE NEWS AGENCY, Seoul]

[Text] On 3 February, Moscow Radio reported that more than 1,000 South Korean businessmen and politicians visited the Soviet Union last year.

Moscow Radio, a Soviet government-operated radio station, on 3 February reported: South Koreans' visit to the Soviet Union had been restricted until 1987. Since then, however, the restriction has been cancelled. And in 1989 alone, more than 1,000 South Korean businessmen and "political activists" visited the Soviet Union.

Reporting that the Soviet Union has attached great significance to introducing capital and technology from South Korea for the establishment of joint-ventured enterprises with South Korean enterprises, Moscow Radio said the the Soviet Union is looking forward to South Korean enterprises's active participation in the economic development of Siberia and the Far East region of the Soviet Union. Thus, the radio station revealed the Soviet Union's interest in introducing capital and technology from South Korea.

Soviet Youth Official Discusses Improving Ties

SK1102120390 Seoul KYONGHYANG SINMUN in Korean 7 Feb 90 p 2

[Moscow—YONHAP]

[Text] On 6 February, apologizing for the shooting down of a Korean Airlines passenger airplane by a Soviet missile attack in 1983, saying that "the incident was indeed tragic and I respectfully offer the bereaved families of the victims my condolences and symphathy," Aleksey Kovilov [name as published], chairman of the Committee of Youth Organizations (CYO) of the USSR, disclosed that "the USSR CYO will soon adopt and discuss this incident as an agenda item and urge the Soviet Government to officially apologize for it."

That day, disclosing this in an interview with YONHAP NEWS AGENCY, Aleksey Kovilov, chairman of the USSR CYO, said that "the USSR CYO will work out a plan to wage the humanitarian movement, including adopting a resolution to prevent the recurrence of such a tragic incident at the civilian level, not at the government level."

Referring to the matter of improving relations between South Korea and the Soviet Union, chairman Aleksey Kovilov said: "To promote relations between the two countries it is important to achieve a broad scale of cooperation at the civilian level, including the exchange of youths between them. The USSR CYO will make every possible effort to further expand the exchange with South Korea at a civilian level so that the present relations between the two countries at the 'consular department level' can be further expanded and developed."

Meanwhile, that day, Kim Chol-kwang, chairman of the Junior Chamber (JC) of Korea, and Cho Chung-hu, standing vice chairman of the Korean JC, who were visiting the Soviet Union with a Korean JC delegation, met with officials of the USSR CYO. In the meeting they agreed to expand cooperation among young businessmen of the two countries in the economic field. To this end, they agreed to form an organization called "the Committee for Korean-Soviet Youth Cooperation" and to officially conclude an agreement on the formation of the committee when a USSR CYO delegation visits Seoul in October this year.

In the meeting, the two sides also reached an agreement to actively push ahead with the following projects as part of the work of exchanging youth: 1) to frequently conduct in South Korea seminars to encourage investment in the USSR, 2) to open exhibitions in South Korea for Soviet goods, 3) to have a Soviet economic delegation visit South Korea, and 4) to establish branches of the Korean JC among Korean residents in the USSR.

15 Business 'Tycoons' To Visit USSR Mid-May

SK1502023490 Seoul YONHAP in English 0216 GMT 15 Feb 90

[Text] Seoul, Feb. 15 (OANA-YONHAP)—Fifteen South Korean tycoons will visit the Soviet Union in mid-May to seek mutual economic cooperation, the Korea Foreign Traders' Association (KFTA) said Thursday. KFTA said it obtained agreement in principle for the visit from the Soviet Chamber of Commerce and Industry at the end of last year and a committee on Korea-Soviet eonomic cooperation is to be established in March through the chamber.

The mission will comprise KFTA chairman Nam Tuk-u, Hyundai Group founder Chong Chu-yong and Dainong Group's Pak Yong-hak and the chairmen of other business groups.

They will tour Moscow, Vladivostok and Nakhodka for two weeks, looking for Soviet business partners and talking to influential politicians and businessmen. Nam is to give a speech on the Korean economy at a university in Moscow.

Soviet Academy, National Foundation Sign Pact

SK1302075990 Seoul YONHAP in English 0721 GMT 13 Feb 90

[Text] Seoul, Feb. 13 (YONHAP)—The Science and Engineering Foundation and the Soviet Academy of Sciences signed a protocol on scientific cooperation and the exchange of scientists between the South Korean and Soviet groups on Tuesday [13 February].

Under the protocol, signed by foundation head Chong Kun-mo and Konstantin Frolov, a vice president of the academy, the state-run groups will set up a committee of scientists to meet annually in Seoul and Moscow by turn.

The two countries expect to promote cooperation in the fields of basic and applied sciences, exchanges of scientists, joint study programs and trade of scientific information and studies.

Yi Sang-hui, the science and technology minister, said Korea is hoping to conclude a government-level agreement on scientific and technological cooperation between Seoul and Moscow on the basis of the protocol. Frolov also signed an accord on scientific and technological cooperation with the Korea Institute of Science and Technology on Monday afternoon.

'Co-Ops' Sign Memo of Understanding With USSR

SK1202014290 Seoul YONHAP in English 0133 GMT 12 Feb 90

[Text] Seoul, Feb. 12 (YONHAP)—The South Korean National Agricultural Cooperative Federation (NACF) and the Central Union of Consumer Societies of the Soviet Union, signed a memorandum of understanding Monday [12 Feb] on enhancing the "businesslike and friendly relations between the two groups."

The nine-point memorandum was signed by Han Ho-son, chairman of the National Agricultural Cooperative Federation (NACF), and Pavel Pedriko [spelling as received], chairman of the Central Union of Consumer Societies of the Soviet Union.

Under the accord, the two co-ops expect to explore the possibilities of cooperative tourism and discuss the conditions for sending two or three tour groups to the Soviet Union this year.

They will also study the possibility of establishing direct links between the Kazakh Consumer Union and NACF in the spheres of commerce, production and cooperative tourism.

Pedriko, who arrived here Saturday, will leave the country on Feb. 16 after touring farms and industrial facilities.

Soviet Institute To Hold Construction Seminar

SK1302065990 Seoul YONHAP in English 0628 GMT 13 Feb 90

[Text] Seoul, Feb. 13 (YONHAP)—A research institute under control of the Construction Ministry and a Soviet institute will hold a seminar on construction in frigid regions next week to help prepare South Korean contractors for possible participation in Siberian development projects.

The three-day seminar will open here Feb. 21 under the auspices of the Korea Institute of Construction Technology (KICT) and the Siberian branch of the Permafrost Institute, part of the Soviet Academy of Sciences, the KICT said Tuesday [13 February].

Dr. Ivanovich Makarov and three other Soviet permafrost experts will read papers on construction in Siberia and the possibilities for Korean construction firms to participate in the development of Siberia, it said.

Korean contractors seeking to extend their operations into the Soviet Far East include Hyundai Construction and Engineering, Daewoo and Samhwan.

KICT will discuss personnel exchanges and cooperation to develop cold-weather construction technology with the Permafrost Institute during the seminar.

Hockey Team Exchange With USSR Planned

SK1502070690 Seoul YONHAP in English 0606 GMT 15 Feb 90

[Text] Seoul, Feb. 15 (OANA-YONHAP)—Women's hockey teams from South Korea and the Soviet Union will play friendly matches this year in the two nations, the Korea Hockey Association (KHA) said Thursday. An official invitation was sent on Feb. 9 to the Uzbekistan team of Politotdel, while steps to send a Korean team in August are also under way, a KHA spokesman said.

Politotdel, a runner-up in the Soviet league in 1989, is sponsored by the Sovplastital Company. The team will play six to seven matches in several provincial cities, including Songnam, Pusan and Taegu, from March 24 to April 5, he said.

The Korean team, to be one of three university teams and four amateur teams backed by city governments, will have seven to eight matches in Moscow, Tashkent and Leningrad from Aug. 16 to Sept. 3. The invitation was propelled by KHA after the first ethnic Koreans' sports festival in September last year in celebration of the first anniversary of the Seoul Olympic Games.

"Korean women's hockey teams, which have shown their advanced techniques in several international competitions, will be good opponents for the Soviet team, which relies on good teamwork and physical strength," said Yang Song-chin, the KHA general secretary.

The Korean national team won the champion's trophey in Frankfurt, West Germany, in September last year and snatched the silver medal in the Seoul Olympics.

Participation in Communications Projects Reported

Soviet Fiber Optic Project

SK1402093890 Seoul YONHAP in English 0639 GMT 14 Feb 90

[Text] Seoul, Feb. 14 (YONHAP)—Participation in the Soviet Union's trans-Siberian fiber optic cable network

project, which will plug into South Korea's communications network, is one of the Communications Ministry's most ambitious plans this year. South Korea's participation depends on a seven-nation trans-Siberia light link (TSLL) meeting to be held in Munich, West Germany, next month.

Korea is to attend the TSLL meeting, scheduled for March 27-29, as an observer together with France and Spain. It informed the previous TSLL meeting in Tokyo last month of its desire to take part in the project. Participants in the project are eight companies from seven Western nations—the United States, Japan, Britain, West Germany, Denmark, Italy and Australia.

The foremost purpose is to provide alternative and better telecommunications channels from South Korea to Europe. At present, Korean telephone traffic to Europe is routed to Japan and then across the Pacific Ocean to North America, a distance of over 20,000 kilometers, or relayed by a satellite over the Indian Ocean.

This circuitous method not only costs an enormous amount but is irritatingly slow, according to telecommunications experts, who say connecting the Korean network to the trans-Siberian light link would solve both these problems. The 500 million U.S. dollar TSLL project will link the Soviet Union, Europe and Japan, according to an earlier announcement by a U.S. telecommunications company and the Soviet Ministry of Posts and Telecommunications.

The 15,300 km system will stretch from the Soviet Far Eastern city of Nakhodka to Moscow and Berlin and have undersea connections to Denmark, Italy and Japan, according to the announcement. Fiber-optic cables use strands of glass as thin as a hair to transmit data in the form of bursts of laser light. They are far more efficient and can handle a far greater number of calls than traditional copper cables. The Communications Ministry is considering having Korean firms form a consortium with telecommunications companies from the United States and Japan.

Ministry officials say the prospects for participation in the world's longest fiber-optic telecommunications line are bright because the Soviets recognize Seoul's efforts to promote telecommunications exchanges with East-Bloc nations and Korea's technical prowess in the telecommunications field. Korea was notified by Moscow of possible participation in the project last October.

One of the three possible routes for the connection with Seoul is through the North Korean capital of Pyongyang, but that would require North Korean approval, they said. Another possibility is laying the cables under the sea between Korea and Japan. A Korea-Nakhodka connection would help Korea become the focal point for contacts between the East Bloc and Asian countries such as Hong Kong, Taiwan and Singapore, they said. The Korea-Nakhodka link would be connected to the so-called HJK line, the undersea fiber-optic cables linking Japan, Korea, Hong Kong and Taiwan.

South-North Accord on Projects

SK1302071490 Seoul YONHAP in English 0707 GMT 13 Feb 90

[Text] Seoul, Feb. 13 (YONHAP)—South Korea will ask North Korea to conclude an accord on telephone calls and mail between both sides, and will seek to join an international consortium in a project to lay optical fiber cables across Siberia, Communications Minister Yi U-chae said Tuesday.

Briefing President No Tae-u on his ministry's major goals for the year, Yi said his ministry will draft an inter-Korean agreement on postal and telephonic communication between South and North Korea.

The Ministry will seek direct exchanges of mails with the Soviet Union, China and Poland while opening the international subscriber dialing (ISD) service with 10 countries, including Mongolia, that have no diplomatic ties with South Korea, Yi said.

The minister said he hopes Korea will be able to take part in the international consortium to lay optical fiber cables across Siberia and export Korean-made time division exchanges (TDX), an advanced electronic switching system, to Vietnam, Hungary and Poland.

The ministry will spend 300 billion won (434.7 million U.S. dollars) by 1996 on two communications-broadcasting satellites, Yi said. One will be a 500 kilogram medium-sized main satellite with a capacity of three television channels and 3,900 circuits, and the other a reserve satellite.

Seoul Seeks Economic Pacts With East Bloc

SK1502022690 Seoul YONHAP in English 0205 GMT 15 Feb 90

[Text] Seoul, Feb. 15 (YONHAP)—South Korea, hoping to improve trade relations with the East bloc, will seek to conclude a variety of economic agreements with the Soviet Union, Yugoslavia and Poland this year, a Trade and Industry Ministry source said Thursday.

The Korea Trade Promotion Corp. (KOTRA) and corresponding organizations of those nations will be the contracting parties in private-level agreements, though South Korea will pursue government-level agreements after opening diplomatic relations, the source said.

The ministry will open talks with China, Czechoslovakia and East Germany to establish KOTRA offices there and contact the Soviet Union on opening direct sea and air routes between the two countries. It will encourage private firms to expand their investments in the East bloc, especially in daily necessities manufacturing in the Soviet Union, and in the steel, chemical and machinery sectors in China.

In order to reduce the risk of such investment, the government will expand the Export-Import Bank's loans

for such overseas investments, and help businesses find Western partners for joint investments.

Consultative Council With East Europe Planned

SK1102022090 Seoul THE KOREA TIMES in English 11 Feb 90 p 1

[Text] A permanent Korea-Eastern Europe consultative council will be set up on Feb. 22 to step up trade exchanges and economic cooperation between Korea and the European socialist countries.

Sources at the Association of Foreign Trading Agents of Korea (AFTAK) said yesterday that a growing number of domestic importers hope to do business with the Eastern European countries. Socialist countries planning to increase their exports to Korea are also on the rise, the sources disclosed.

The AFTAK and representative offices of European countries in Seoul agreed to set up a permanent consultative council on trade between the two sides in a preliminary meeting on Dec. 12, the sources said, adding that the body will be formally inaugurated on Feb. 22.

Meanwhile, So Chong-ho, chairman of the AFTAK, and Hungarian Ambassador to Korea Sandor Etre are expected to become the first co-chairmen of the council, the sources said.

Chinese Technicians To Receive Training in State

SK1202050490 Seoul YONHAP in English 0444 GMT 12 Feb 90

[Text] Seoul, Feb. 12 (YONHAP)—South Korea is considering increasing the number of Chinese technicians to be invited here for vocational training as part of the international labor organization's Asia Pacific Skill Development Programs (APSDEP), a Labor Ministry official said Monday [12 Feb].

The ministry has received private letters of appreciation for the high standards of the training courses from Chinese labor officials and graduates of the courses, the official said.

The ministry is discussing with Apsdep officials an increase in the number of Chinese technicians to be sent this year to as many as 10 from the original five.

Last year, six Chinese technicians were invited to an 11-week course on computer-aided design and computer-aided manufacturing at the state-invested Seoul International Training Institute.

In addition to the APSDEP course, the ministry will invite 21 workers from 21 developing nations for vocational training in such fields as welding and piping as well as accepting 11 Indonesian instructors and managers.

The ministry will also resume negotiations with the Chinese Government on establishing a trainig center in China at Korean Government expense. Korea initiated the negotiations in 1988 but was unable to make any substantial progress as China insisted the training center to be established on a private basis.

Japan-Korea Council on 3d Generation Issue

SK1102040490 Seoul THE KOREA HERALD in English 11 Feb 90 p 4

[Text] Tokyo (YONHAP)—The Japan-Korea Cooperation Council, chaired by former Prime Minister Takeo Fukuda, submitted a petition Friday to Foreign Minister Taro Nakayama, appealing for early settlement of the controversy over the legal status of third-generation Koreans in Japan.

The petition also appeals for proper and speedy compensation and medical treatment for Korean victims of atomic bombs during World War II.

The council said that Japan should settle these questions as soon as possible, taking President No Tae-u's visit to Japan into account.

The council plans to present similar petitions to Prime Minister Toshiki Kaifu and the ruling Liberal Democratic Party.

Two New Shipping Lines To Open With Japan

SK1302082490 Seoul YONHAP in English 0806 GMT 13 Feb 90

[Text] Seoul, Feb. 13 (YONHAP)—South Korea and Japan have agreed to open two regular shipping routes between the main Korean port of Pusan and Niigata and three other ports in western Honshu, the Korea Maritime and Port Administration (KMPA) said Tuesday [13 February].

The inauguration of the Pusan-Maizuru-Kanazawa line on Feb. 27 and the Pusan-Niigata-Toyama line on March 3 will pave the way for indirect trade with North Korea and the Soviet Union as well as expand containerized trade with Japan, a KMPA official said. He said Maizuru will become a center for Seoul-Pyongyang trade because China's Sinotrans Co. will open a regular freight line between the port and Chongjin in Morth Korea.

Busan Shipping Co. is to operate monthly sailings with the 2,000 ton Jade Busan on the Pusan-Maizuru-Kanazawa route and with the 3,500 ton Ocean Busan on the Pusan-Niigata-Toyama route.

Major Korean export items will be textiles, stoneware, plate glass and furniture while imports will be looms, pumps, chemical products, steel and ceramics, he said.

New Opposition Party Named 'Democratic Party'

SK1502032690 Seoul THE KOREA HERALD in English 15 Feb 90 p 2

[Text] It has been decided that the new opposition party's name will be "Democratic Party."

Organizers of the new opposition party led by Yi Ki-taek, former floor leader of the RDP, yesterday decided on the official name of the new party and the hold to inaugural rallies in Seoul, Pusan, Taegu and Taejon starting March 3.

The proposed new opposition party, to be joined by seven incumbent lawmakers plus former parliamentarians, hopes to establish a political alliance with the opposition Party for Peace and Democracy during the upcoming extraordinary National Assembly session starting Feb. 19 for a monthlong run. It is also sounding out the possibility of a merger of the opposition groups for a large opposition party to counter the new giant conservative Democratic Liberal Party [DLP].

Ministry To Aid Firms Stricken by Disputes

SK1102012090 Seoul THE KOREA TIMES in English 11 Feb 90 p 8

[Text] The government has decided to provide financial aid to even business conglomerates which are unable to pay wages to their workers on time or are on the brink of bankruptcy due to the aggravation of their management as a result of labor-management disturbances.

At present, small and medium industries which are suffering from labor conflicts are supplied with such financial aid.

The Trade-Industry Ministry yesterday announced the program for the supply of loans to business concerns whose management has been seriously troubled by labor-management disputes.

According to the program, the duration in the supply of export financing loans will be extended from the current 90 days up to 135 days.

The extension is aimed at helping enterprises which are forced to reduce operations because of labor conflicts.

The ministry said that the supply of financial aid to business concerns stricken by labor-management disturbances was decided upon through consultations with the Finance Ministry and other government economic agencies.

As a result, banking institutions are able to provide loans to business conglomerates which are suffering from labor conflicts.

The government had prohibited banking institutions from providing fresh loans to large enterprises in a bid to curb the swelling growth of the total money supply.

However, the business conglomerates will be obliged to make commitments to the disposal of their idle real estate and certain portions of securities in their hand when they borrow loans from banks.

In the meantime, major correspondent banks of small and medium industries are required to provide loans to them when they suffer from financial difficulties because of labor disturbances at other companies.

The Bank of Korea will supply a certain portion of the loans which other banks will lend to such small and medium businesses.

Police To Receive Hand Guns by Next Year

SK1202043090 Seoul YONHAP in English 0106 GMT 12 Feb 90

[Excerpts] Seoul, Feb. 12 (OANA-YONHAP)—Seoul police have posted a 10 million won (15,000 U.S. dollars) reward for information leading to the arrest of anyone responsible for a rash of arson, robbery and murder in the city. [passage omitted]

The seeming impotence of the police to stop the rampage, by a group or individuals, is causing widespread fear, which grew when a former president's home was robbed Wednesday [7 Feb].

The city's 25,000 policemen were put on a full alert Friday [9 Feb] and the national police headquarters transferred or suspended four ranking officers, including a police station chief, for failing to protect the public.

Kim U-hyon, chief of the National Police Headquarters, announced Saturday that every police officer on outdoors duty will receive a hand gun by the middle of next year and that 30,000 men and women will be recruited as police officers and equipment are updated by 1992.

He also promised any policemen who arrests one of the criminals terrorizing the capital will be promoted.

The nation's 102,000 firefighters were put on emergency alert by the home ministry in order to halt the plague of indiscriminate arson. [passage omitted]

Despite the police's resolution to make an arrest soon, many unconvinced citizens are organizing patrols and equipping themselves with whistles, flashes, clubs and illegal gas guns.

The police are under attack in recent weeks for being derelict in their duty of protecting the public from criminals but spending too much time trying to control student demonstrations and so-called security-related cases.

In response, the police blame some of the crimes on "impure elements" attempting to provoke social unrest.

YONHAP Reports on Foreign Banks' Profits

SK1202080090 Seoul YONHAP in English 0738 GMT 12 Feb 90

[Text] Seoul, Feb. 12 (YONHAP)—Non-Japanese foreign banking operations here outperformed South Korean banks in terms of profitablity last year even though their profits grew only 3.9 percent, the Office of Bank Supervision and Examination (OBSE) reported Monday.

OBSE's preliminary tally put the 1989-90 aggregate after-tax profits of the 51 branches of foreign banks in Korea whose fiscal year ends March 31 at 174.5 million U.S. dollars, up 3.9 percent from 168 billion dollars in 1988-89.

The profit increase is far shy not only of the 30.2 percent in 1987 and 24.5 percent in 1988 but also of Korean Banks' 103.5 percent.

OBSE attributed the setback in the growth rate of the profit to a 14 percent cut in the non-interst sector incomes such as commissions and surety charges. The government trimmed the swap quota, or amount of the Korean won exchangeable with foreign currencies, and lowered the ceiling on foreign currency loans.

Interest profits soared 28.2 percent because of robust jumps in won-denominated loans and steady rise of foreign currency lending rates.

Profits accounted for 2.13 percent of total liabilities and net worth, well above the 0.79 percent for Korean Banks, or 19.8 percent of equity capitals, above the 7.8 percent for their Korean counterparts.

The top four profit makers were all U.S. banks: Chase Manhattan topped the list with some 21.7 million dollars, followed by Citibank with 20.9 million dollars, bankers trust with 15.5 million dollars and Bank of America with 12.5 million dollars.

French banks were top in profit growth with 34 percent, U.S. bank profits increased 7 percent and British banks suffered a 36 percent profit drop.

Burma

SLORC Committee Holds 77th News Conference

BK1002093090 Rangoon Domestic Service in Burmese 1330 GMT 9 Feb 90

[Excerpts] The information committee of the State Law and Order Restoration Council [SLORC] held its 77th news conference today in the reception hall of the Ministry of Defense at 1300 with local and foreign journalists. [passage omitted]

At the news conference, the information committee explained the exposure and arrests of individuals who had been sent by the KNU [Karen National Union] and the All-Burma Students Democratic Front [ABSDF] to carry out a demolition mission in Yangon [Rangoon] and to disrupt elections; the crushing of the NMSP [New Mon State Party] insurgent camps by the Defense Services at the Three Pagodas Pass region; tax relief for voluntary declaration of cash and property value aimed at encouraging wider private investment under the program of economic reforms; and movements of some political parties.

Explaining the exposure and arrest of the individuals sent by the the KNU and the ABSDF to carry out demolitions in Yangon and to disrupt the elections, the information committee said Colonel Shwe Saing, commander of the KNU 6th Brigade; Major Robert Zan, KNU officer in charge of conducting demolition classes; and Soe Moe U, political officer of the ABSDF 206th Battalion, formed small insurgent units and sent them to Yangon to carry out explosions throughout the city. Upon receiving the information, the National Investigation Bureau carried out its work to expose the scheme.

While investigations were being carried out, information was received that a four-member unit, which included Kyaw Kyaw alias Kyaw Kyaw Htay who had earlier fled to the border region, had reentered Yangon on 28 January together with explosives. Work to expose it was carried out. Kyaw Kyaw alias Kyaw Kyaw Htay, son of U Nyunt Maung of Thaketa and a private at the ABSDF 106th Battalion surrendered without weapons at a military unit in charge of an enamelware factory in Thaketa under the command of the 209th Frontline Light Infantry Regiment in the No. 1 Military Region of Yangon on 30 January 1990.

Kyaw Kyaw alias Kyaw Kyaw Htay subsequently gave information on the demolition mission. According to disclosures made by Kyaw Kyaw Htay under interrogation, four persons from the ABSDF—himself, Hla Than, Zaw Win Htut, and Myo Min U—formed two units in reentering Yangon on 28 January. [passage omitted] He disclosed that each of them was provided with three American hand grenades and two Chinese hand grenades. Following his disclosure that Hla Than was in possession of his hand grenades, Hla Than was subsequently exposed. Hla Than, 20, son of U Khin Maung Myint was arrested with a total of eight hand grenades—six American hand grenades and two Chinese hand grenades—at his home in Thaketa on 31 January 1990. [passage omitted]

Upon further interrogations, Hla Than and Kyaw Kyaw Htay disclosed that they had arranged to meet Zaw Win Htut and Myo Min U in front of Pa Pa Win Cinema Hall at 1000 on 2 February. Subsequently, Zaw Win Htut, 18, son of U Ye Myint of Thaketa was arrested at 1030 on 2 February near Nay Pyi Daw Cinema Hall. [passage omitted] He disclosed that he and Myo Min U arrived in Yangon on 27 January 1990. [passage omitted] Following his disclosure that he slept at the house of Myo Khin, 33, of the ABSDF, who surrendered on 11 November 1989, in Lamadaw township and that he had hidden the hand grenades wrapped in plastic inside the water tank, Myo Khin was arrested and six American hand grenades and two Chinese hand grenades were recovered from inside the water tank.

It was learned that Myo Min U, together with Soe Naing and Soe Htoo of No. 10 Bahosi Ward in Lamadaw township, had fled to the jungle on 31 January 1990.

Following disclosure by Hla Than, Myint Thaung, 25, son of U Kan Hlaing of No. 116, Chan Waing Gyi, Eyarwun Street, No. 7 Ward, Thaketa township, was arrested on 4 February for maintaining contact with Soe Moe U, a political officer of the ABSDF 206th Battalion. [passage omitted]

Hla Than, Zaw Win Htut, Myo Khin and Kyaw Kyaw Htay disclosed under interrogation that the four of them fled to the border area after the Defense Forces assumed state power and arrived at the KNU camp in Thay Baw Bo where they underwent military training for one month. They said after the military training they were moved to Mawke camp of the ABSDF 206th Battalion near Wawle camp of the KNU 6th Brigade. While they were at the Mawke camp, Soe Moe U, political officer of the 2d Battalion, told them of a plan to send them to Yangon on a special mission. Five youths—Myo Min U, Myo Khin, and three other youths—were later moved to a jungle camp, a 45-minute walk from Mawke camp, where they were instructed by Soe Moe U to return to Yangon to study the position of important buildings and bridges in Yangon. He told them that upon their return they would be given training in demolition.

He said his reliable contact in Yangon is Myint Thaung. Myo Khin was assigned to try to link the youths from the National League for Democracy [NLD] with the ABSDF and to collect information on movement of the SLORC and ongoing events while in Yangon. Myo Min U was assigned to establish contact with new members and to bring them to the jungle while the other three youths were assigned to contact and organize high school students. Each of them was issued 800 kyats for the journey and sent back to Yangon in November 1989.

Myo Khin arrived back in Yangon on 9 November 1989, and on 10 November 1989 he went to the office of the National League for Democracy on Lamadaw Township

and discussed the instructions from the jungle, but there was no success. Following his father's urging, Myo Khin surrendered officially on 11 November 1989. He allowed Saw Win Htut and Myo Min U, who returned to Yangon on 27 January 1990, to sleep at his house and hid their hand grenades in the water tank.

Myo Khin was the first one to return under instruction to link the NLD youths with the ABSDF. On 8 January 1990 Soe Moe U, political officer of the ABSDF 206th Battalion instructed Hla Than and Zaw Win Htut to enter the country to carry out underground work and told them to bring along the hand grenades which should be kept in a safe place. They were instructed to return by 15 February at the latest. Hla Than and Zaw Win Htut were assigned under the Operation Nay Pyi Daw [capital].

The Operation Nay Pyi Daw was drawn up by Colonel Shwe Saing and Major Robert Zan of the KNU 6th Brigade and Soe Moe U, political officer of the ABSDF 2d Battalion with the objective of entering and infiltrating the country to carry out subversive activities.

The objectives of the Operation Nay Pyi Daw are as follows:

A. To send as many of their hard-core members as possible in units to the capital, Yangon, to send with them as many weapons and as much ammunition as possible and to keep them in safe places;

B. To use Thaketa Township as a base for infiltrating the capital, Yangon, and to assign units from the 206th Battalion which is formed with those who have gone underground from Thaketa;

C. To study in advance routes for the Armed Forces Day parade and to carry out explosions if the situation allows; and

D. To wait and observe the election situation and to ruin the elections by setting off explosions throughout Yangon if the party of their choice does not have good prospects in the elections.

Under the first stage of the operation, their hard-core groups are to be sent out to Yangon City to set off explosions at important buildings, factories and mills, in particular, the electrical supply substation in Thaketa, Yangon-Thanlyin bridge construction project, dockyard, and offshore oil exploration camp; to study the situation in advance; and for each person to organize three persons inside Yangon City under the multiple organizational plan. After this is accomplished, infiltration with weapons is to be carried out.

Under the second stage, courses on demolition are to be conducted by Major Robert in a secret jungle camp and those trained are to return to the capital, Yangon, and to give training on weapons and demolition to units under their organization and to equip the units with weapons and demolition equipment.

Under the third stage, advance courses on demolition are to be conducted, the movement is to be expanded by renting houses and by working as drivers, and demolition work is to be carried ou' when necessary. Once these stages are accomplished, trainees are to be sent abroad for training in demolition by remote control. [passage omitted]

Kyaw Kyaw Htay, Hla Than, Zaw Win Htut, and Myo Min U were the first batch of four persons to be sent out under the Operation Nay Pyi Daw. [passage omitted]

It was learned that (Pan Hlaing), (Zela Tun), and Kyaw Tun had been selected to be sent as the second batch under the Operation Nay Pyi Daw, and investigations are underway to continue exposing those in contact with the KNU and the ABSDF. [passage omitted]

The information committee urged the public and the political parties to cooperate with security organizations concerned to expose the infiltrators sent by the KNU and the ABSDF to subvert the elections. [passage omitted]

Next, the information committee explained the crushing of the New Mon State Party [NMSP] camps at the Three Pagodas Pass by the Defense Services. On 30 January, No. 2 Tactical Unit, the 33d Infantry Regiment, the 101st Infantry Regiment, and the 106th Infantry Regiment under the supervision of the Southeast Military Command prepared eight columns and began the march toward the NMSP camps in the Three Pagodas Pass region.

On 2 February 1990 a column from the 101st Infantry Battalion clashed with about 50 NMSP insurgents in the area point (B2900) on the map during which three of our soldiers, including an officer, were wounded. Two soldiers from the No. 2 tactical unit from the 106th Infantry Regiment, were wounded when they stepped on two enemy mines at (G1605) on 4 February 1990.

A column from the 101st Infantry Regiment at 0845 on 6 February began attacking the NMSP (Buhlahteik) camp where about 100 insurgents were stationed. [passage omitted] During this battle, 10 of our soldiers laid down their lives for the country and 21, including three officers, were wounded, and three weapons were lost. Our side captured one body of the enemy and one AK-47 rifle.

On 7 February a column from the 106th Infantry Regiment clashed with about 100 insurgents from the frontline camps at Three Pagodas Pass from 0545 to 0645. The insurgents fled toward the Three Pagodas village. During the battle, six of our soldiers laid down their lives for the country, 15 were wounded, and 13 bodies of the insurgents and seven weapons were recovered. During the course of the battle, a column from the 31st Infantry Regiment captured one fleeing insurgent together with a weapon.

The tactical unit merged with columns from the 106th Infantry Regiment in continuing its attack on the NMSP insurgent camps at the Three Pagodas village, and at 1140 on 8 February the Three Pagodas village was captured. During the battle six insurgents were killed

and two weapons were captured. Our columns are continuing their operation against the NMSP central headquarters and district camps of its battalions.

The information committee explained that the operations against the insurgents have been launched by the Defense Services to ensure successful holding of elections as scheduled and to create fair conditions. The journalists could probably recall that under the 1947 Constitution the parliamentary general elections were to be held within 18 months from the time the constitution took effect on Independence Day. However, due to the insurgency situation, a state of emergency was declared in the country and the commander of the Defense Services was appointed deputy prime minister and minister of defense to improve the law and order situation. Although the elections were to be held in 18 months according to the constitution, it was amended to hold the elections in 28 months. Since the political situation did not improve fast enough, however, the general elections were postponed up to 48 months and did not take place until early 1952.

Insurgents are not being fought because we bear a grudge against them as alleged by some political parties. Some political parties are calling for an end to the civil war and the establishment of peace in order to win the support of the insurgents. The insurgents are beginning to express their support for persons to give an edge to the organizations of their choice. By doing so it implies that the insurgents are intimidating the people into voting for an organization. The fairness of the elections can therefore be affected. Furthermore, offensives are being launched against the insurgents continuously in order to prevent them from disrupting the elections. [passage omitted]

Continuing, the information committee explained activities by some political parties. The information committee said that it was stated during the last news conference that measures are being carried out according to law for successfully holding the elections and that those expressing shock and surprise for those disqualified from contesting in the elections because of the infringement of law, are overlooking the law in order to satisfy their own wishes.

Despite the explanation, some political parties are overstepping the law in their movements. Aside from the infringement of law, a certain person has said he would not contest in the elections, but some political parties are campaigning for that person to contest in the elections. Just imagine what kind of intentions they have in going against the law in campaigning for the unwilling person. They are claiming that in India an imprisoned person was set free to stand in the elections. The situation in our country is not the same as in other countries. [passage omitted]

We know who is doing what. We would not like to name the party concerned. We would like the journalists to investigate. If they infringe the law and make incorrect movements to satisfy their own wishes, they should be aware that there could be regrettable consequences. We would like the journalists to convey this warning. [passage omitted]

The news conference ended at 1445.

Lao Trade Minister Arrives With Delegation

BK1402154590 Rangoon Domestic Service in Burmese 1330 GMT 14 Feb 90

[Text] A six-member trade delegation from the Lao People's Democratic Republic headed by Mr. Phao Bounnaphon, minister of trade and foreign economic relations, arrived in Yangon [Rangoon] at 1710 today to discuss mutual economic and trade matters.

The delegation was welcomed at Yangon Airport by Colonel Abel, minister of planning and finance and trade; U Maung Maung Kyaw, director general of the Directorate of Trade; U Ohn Kyaw, director general of the Ministry of Foreign Affairs' Political Department; U (Ba Sein), director general of the International Organizations and Economic Department; U Maung Maung Han, president of the Central Bank of the Union of Myanmar [Burma]; responsible officials; Mr Nguyen Hao, Vietnamese ambassador to Myanmar; Mr. (Van Saichana), charge d'affaires ad interim of the Lao Embassy; and responsible officials.

Later in the evening, Col. Abel, minister of planning and finance and trade, feted the visiting Lao minister and his delegation at the Karaweik Hall.

The Lao minister and his delegation will stay in Myanmar until 17 February.

Cambodia

Heng Samrin Receives Supreme Soviet Delegation

BK1502072590 Phnom Penh Domestic Service in Cambodian 0430 GMT 15 Feb 90

[Text] Comrade Heng Samrin, general secretary of the Kampuchean People's Revolutionary Party Central Committee and chairman of the State of Cambodia's Council of State, received at the former royal palace on the morning of 14 February a delegation of the USSR Supreme Soviet led by Comrade Usmanov, member of the CPSU Central Committee Secretariat and the USSR Supreme Soviet.

Also attending the meeting were Comrade Chea Sim, member of the party Central Committee Political Bureau and chairman of the National Assembly and the National Council of the Kampuchean United Front for National Construction and Defense; and Comrade Mat Ly, member of the party Central Committee Political Bureau, vice chairman of the National Assembly, and chairman of the Kampuchean Federation of Trade Unions.

Speaking on that occasion, Comrade Secretary General Heng Samrin welcomed the perestroyka policy of the Soviet Union and the Soviet working people, which will certainly be successful.

On behalf of the Cambodian party, state, and people, Comrade General Secretary Heng Samrin expressed profound gratitude to the Soviet party, government, and fraternal people for their unswerving support and assistance for the correct struggle of the Cambodian people in the past, present, and future.

Comrade Usmanov highly valued the State of Cambodia's active stance in seeking a reasonable and just political solution to the Cambodian problem. He expressed the firm conviction that this stance will certainly be more broadly welcomed by world public opinion.

The two sides exchanged information and experiences relating to the development of the two countries, the future targets of various important tasks, and particularly the essence of the latest sessions of the two party Central Committees. They also expressed satisfaction over the growing bond of solidarity, friendship, and cooperation between the parties, states, and peoples of the two countries.

The two sides also stressed the plans to effectively expand this bond of cooperation in the interests of the peoples of the two countries.

Mock Suggests Reactivating ICK as Adviser

BK1502043390 Bangkok BANGKOK POST in English 15 Feb 90 p 8

[By Nutsara Thaithawat]

[Excerpts] The UN's International Committee on Kampuchea [ICK] should play an advisory role in the search for peace in Cambodia, ICK President Alois Mock said during a three-day visit here.

Dr Mock, in Thailand in his capacity as Austrian foreign minister and as the guest of ACM [Air Chief Marshal] Sitthi Sawetsila, left for Bhutan yesterday.

He told the BANGKOK POST on Tuesday [13 February] that when he meets the ad hoc committee in New York next week he would propose that the committee advise any UN control mechanism that is set up for Cambodia.

He did not elaborate on the actual advisory functions of the ICK but said "it is a personal idea which will be evaluated at discussions of the ad hoc committee in New York on February 20-21". [passage omitted]

Dr Mock said the ICK should be reactivated because the UN Security Council agreed in January that there should be an increased UN role in the search for peace in Cambodia.

He noted, however, that this must be approved by the Security Council, ASEAN and other participants in the Paris Conference on Cambodia last May.

Any solution for Cambodia will be "a little shaky", Dr Mock admitted, because it will involve many antagonists.

"Such a solution and the institutions created by it—UN control mechanism and a political authority created by the UN under an Australian proposal—should be based on a consensus.

"The ICK could be an additional means to provide such a consensus and to ensure it while mechanisms are being worked out for the preparation of elections," he said. [passage omitted]

Defense Ministry Delegations Visit Front Line

BK1002122990 Phnom Penh Domestic Service in Cambodian 1200 GMT 10 Feb 90

[Text] Comrade Lieutenant General Ke Kimyan, member of the party Central Committee and first deputy defense minister of the State of Cambodia, accompanied by Comrade Colonel Chieng Am, deputy chief of the General Political Department, and many leading cadres of the 5th Military Region, recently visited cadres and combatants in the 6th Division and the 92d Brigade and the militant workers of Svay Rieng Province.

During the visit, Comrade Lt Gen Ke Kimyan conveyed the greetings and best regards from cadres, combatants, and people in the rear battlefield and acclaimed the great efforts to surmount obstacles and difficulties and the big victories scored by cadres, combatants, and workers in the western part of the motherland.

Comrade Lt Gen Ke Kimyan also urged cadres and combatants to make greater efforts and fight more vigorously in order to score even greater feats for the party and people.

Meanwhile, Comrade Col Chieng Am, deputy chief of the General Political Department, visited and presented gifts to cadres and combatants of the 4th Division in charge of the frontal posts in the western part of the motherland.

Comrade Col Chieng Am acclaimed all efforts to overcome obstacles and difficulties faced by cadres and combatants of the 4th Division. He also called on cadres and combatants to continue enhancing their militant spirit and fight even more resolutely against the enemies of all stripes to prevent the genocidal regime from returning to our motherland.

Government Reports 14 Feb Battle Activities

BK1502061190 Phnom Penh Domestic Service in Cambodian 0430 GMT 15 Feb 90

[Text] According to reports from the 4th Military Region, yesterday, our Armed Forces on duty in Banteay

Meanchey Province ambushed three bandit groups who attempted to steal rice and property from our people. As a result, in Mkak, our Armed Forces put out of action many enemies, killed seven, seized four weapons, and some war materiel. In Dong Aranh, our Armed Forces killed four enemies. In Bos Sbeov, our Armed Forces killed 21 enemies and seized a quantity of weapons and war materiel.

The big victories scored successively in the attack against the enemies have enabled cadres and combatants of our Armed Forces to experience real battlefield situations. They have constantly consolidated and strengthened their advantage over the enemies.

Thanks to these victories, our cadres and combatants have become even more valiant and courageous. They have resolutely resolved to fight and permanently defeat the enemies so as to firmly defend the Angkor motherland and ensure the safety and security of the people and all their strategic positions.

Son Sann Returns to 'Liberated' Nation 14 Feb

BK1402164490 Hong Kong AFP in English 1629 GMT 14 Feb 90

[By Michael Adler]

[Text] Banteay Chmmar, Cambodia, Feb 14 (AFP)—Former Prime Minister Son Sann became Wednesday the most senior guerrilla official to return to Cambodia when he visited this town, "liberated" only days after Vietnam ended its military occupation in September. "This is the beginning of a political struggle, of a political solution," said Mr. Son Sann, 78, upon setting foot in Cambodia for the first time in the decade since invading Vietnamese forces toppled the Khmer Rouge in 1979.

Mr. Son Sann was prime minister in Phnom Penh in the 1960s. His one-day visit from the Thai border 20 kilometers (12 miles) to the West was the first foray this deep inside Cambodia by a senior political leader of the tripartite guerrilla coalition which opposes the Phnom Penh regime.

A crowd of about 3,000 people, including delegations from central and eastern parts of Cambodia still controlled by Phnom Penh, welcomed Mr. Son Sann, who heads one of two non-communist factions in the guerrilla alliance. The other non-communist faction is headed by Prince Norodom Sihanouk.

Upon entering Banteay Chmmar, a dusty settlement of straw-roof shacks, he greeted 67-year-old Ta Ra, who has lived through two decades of war and seen five regimes, including that of the genocidal Khmer Rouge from 1975-79. "For now, the war is over," the white-bearded Mr. Ta Ra, the town elder, told reporters after the meeting.

Other residents said the Phnom Penh regime had stopped them from trading freely and had even emptied Banteay Chmmar during the Vietnamese occupation.

Mr. Son Sann addressed the crowd and, gesturing to the ruins of Banteay Chmmar's 13th-century temple, second only to the Angkor Wat temple complex as a national treasure, said that as a sign of better times he would call on the United Nations "to come fix" it. Mr. Son Sann said his return in the heart of the zone, some 100 kms (62 miles) long, 40 kms (24 miles) wide and seized by non-communist guerrillas, came as the five permanent members of the United Nations Security Council were meeting in New York to discuss Cambodia. The five are the United States, Soviet Union, China, France and Britain.

Another sign the Cambodian peace process was proceeding was the agreement of the Khmer Rouge, now the military muscle of the guerrilla coalition, to attend talks with the Phnom Penh regime in Jakarta on February 26-28.

Vietnam supports the Phnom Penh government, which it installed shortly after its invasion, while China backs the Khmer Rouge. Support for the non-communist factions comes principally from the United States and Thailand.

Phnom Penh has refused the Khmer Rouge a role in an eventual coalition government, saying it fears the Marxist group's return to power and the possibility of more genocidal acts.

The guerrilla coalition insists that the Khmer Rouge play a role to keep the faction from being isolated and continue fighting. Prince Sihanouk, president of the guerrilla coalition government of which Mr. Son Sann is called prime minister, has said he will return to Cambodia later this month.

Banteay Chmmar, a complex of villages where some 3,600 people live, is in a sector 250 kms (155 miles) east of Bangkok and 400 kms (240 miles) northwest of Phnom Penh. The armies of Mr. Son Sann and Prince Sihanouk claim to have "liberated" a region containing some 50,000 people. The Khmer Rouge control districts further south.

Mr. Son Sann said he was concerned by reports of abuses by his Khmer People's National Liberation Front in the sectors they control. He said he had urged his divided army, in which two-thirds of the some 15,000 soldiers refuse to acknowledge him as a military chief, to stop trading in oxen, cutting timber to sell in Thailand, and otherwise "exploiting" the conquered region.

He said he rejected a return to power by the Khmer Rouge because its hands "are tarnished by the blood of the people." He said he also opposed the taking of power by non-communists tarnished by corruption.

Mr. Son Sann said he had last visited Cambodia in 1979 to open a camp on the border with Thailand for guerrillas fighting Vietnam's occupation, intended to prop up Hanoi's puppet government in Phnom Penh. "But today I feel different. All the world is looking for us," he said.

BBC Correspondent Watches Return

BK1502073690 BBC World Service in English 0215 GMT 15 Feb 90

[From the "Radio Newsreel" program]

[Text] Nearly all the inhabitants of the village of Banteay Chhma in Cambodia attended the welcoming ceremony for Mr. Son Sann, the first of the antigovernment leaders to return to Cambodia since Vietnamese troops withdrew. Among those watching the homecoming in Banteay Chhma was our correspondent, Neil Kelly.

[Begin recording] Some of his soldiers roared past to salute Mr. Son Sann from the top of a Russian T-54 tank captured when they occupied Banteay Chhma. Most of the 3,700 people who live here turned out to see him. They have drifted back to the derelict town from other parts of Cambodia and from refugee camps in Thailand. They are desperate to get back to something like normal lives. New houses are going up, a town council is operating, a police force has been formed, and a rudimentary school has opened. The people are growing their own food, but not enough yet to be self-sufficient. Medical supplies are scarce and some of the children are malnourished. Numerous women here have seven and eight children under 16. However, assistance is already coming in. Cambodians, residents of the United States, have just sent $10,000 specifically for the town's people.

Banteay Chhma is the center of a rich agricultural area which has been occupied by Mr. Son Sann's group, the KPNLF [Kampuchean People's National Liberation Front], since Vietnam withdrew its forces last September. He says 50,000 people now live under the control of the KPNLF and that 30 villages have been liberated from government forces in the past two weeks. He said the advance would continue when adequate supplies had been put in place, and that they hope to capture the key town of Sisophon before the next round of peace talks begin in Jakarta in 11 days' time. He said now that the Khmer Rouge had agreed to join the Jakarta talks, a settlement of Cambodia's troubles was very near. [end recording].

Sihanouk Speaks on Khmer Rouge, Possible Peace

AU1202221790 Vienna Television Service in German 2100 GMT 12 Feb 90

[Danielle Spera report on interview with former Cambodian leader Prince Norodom Sihanouk in Thailand on 12 February; Sihanouk statements in English with superimposed German translation—recorded]

[Text] The meeting between Austrian Foreign Minister Mock and the former Cambodian head of state, Prince Norodom Sihanouk, was opened with Sihanouk's proposal to join the international Cambodia conference, whose chairman is Foreign Minister Mock, and the Paris Cambodia conference. Sihanouk said that Austria ought to become a full member and thus integrated even more closely in the peace process, a proposal to which Foreign Minister Mock reacted positively. The talk focused on the current situation in the Cambodia conflict, a few days after the Khmer Rouge canceled their participation in the peace talks that are scheduled to be held in late February. The controversial issue is the idea to install a UN transitory administration in Cambodia until free elections are held. In principle, Sihanouk agrees to this idea, if all of Cambodia were to be put under UN administration and not just the major cities. As far as the criticism of his cooperation with the Khmer Rouge is concerned, under whose terrible rule at least 1 million people were killed, Sihanouk said:

[Begin recording] [Sihanouk] The Khmer Rouge have improved their attitude toward the people. They are very successful in their fight, and they are receiving more and more support from the people. They fight for independent Cambodia, and for liberation from Vietnamese colonialism. I must tell you that I am a monarchist and not a communist. I do not belong to the Khmer Rouge. My family and I are victims of the Khmer Rouge. They killed 40 members of the royal family as well as many innocent people—my people. I cannot forget this. I am not cooperating with them, but we are all patriots.

[Spera] Is there a solution without the Khmer Rouge?

[Sihanouk] Impossible. We may hate the Khmer Rouge but we cannot ignore them. They have the best army in Cambodia, and therefore we must involve them in all peace negotiations.

[Spera] How do you assess the chances for a political solution?

[Sihanouk] There are still several stumbling blocks and difficulties before we can solve the Cambodian problem. I cannot say today that we will achieve peace tomorrow—but maybe it will come the day after tomorrow. [end recording]

Sihanouk Proposes Private Meeting With Hun Sen

BK1502033190 Bangkok THE NATION in English 15 Feb 90 pp 1, 2

[By Somphong Kittinaradon in Phatthaya]

[Text] Prince Norodom Sihanouk yesterday proposed a private meeting with Phnom Penh Premier Hun Sen in Thailand later this year and declared his willingness to participate in a meeting of all Cambodian factions if Thailand or France agreed to host it.

In an interview with a group of Thai reporters at the Royal Cliff Phatthaya Hotel, Sihanouk said his acceptance of "inter-Cambodian" negotiations was a move away from the Cambodian leader's previous insistence on Vietnamese participation in peace talks.

He said the shift in position was designed to show Thailand and the world his faction's "goodwill and devotion to peace."

Sihanouk said his resignation from the presidency of the resistance coalition also freed him from having to seek the consent of his two partners—the Khmer Rouge and the Khmer People's National Liberation Front—for a "tete-a-tete" with Hun Sen.

He said his faction was ready to partipate in any conference or meeting aimed at bringing peace to Cambodia.

Sihanouk said he had told Prime Minister Chatchai Chunhawan during their meeting recently that he would accept an inter-Cambodia meeting if the premier agreed to host it.

"The premier simply smiled and did not say anything," he related.

He set as a condition that the "inter-Cambodian" meetings must be witnessed by the host, either Prime Minister Chatchai or French State Minister for Foreign Affairs Roland Dumas.

Sihanouk said that he had earlier rejected talks only between Cambodians because the conflict was essentially between Cambodians and the Vietnamese, whose presence in the country, he maintained, was still very strong.

His new position on negotiations does not reflect a change in his convictions about the nature of the Cambodian conflict, he said.

He also said he was always ready to meet with Soviet or Vietnamese officials of any ranks, despite his position as head of the UN-recognized Cambodian state, the only title he still holds apart from his affliation to his own faction.

However, representatives of both countries had consistently refused to deal with him, he said.

The prince predicted that the upcoming informal peace talks in Jakarta would not produce substantial results because the resistance and Phnom Penh would continue to split over the resistance's conditions for simultaneous dismantling of both governments' structures.

Despite Khieu Samphan's agreement to participate in the talks, Sihanouk said he anticipated serious conflict between the Khmer Rouge leader and Hun Sen.

He said the resistance, particularly the Khmer Rouge, preferred resumption of the Paris International Conference, which ended in a deadlock last August.

Even the Australian peace plan calling for UN interim administration of Cambodia may fail because Hun Sen will stand firm on his position that the two governments should be maintained and active in their respective areas during the UN administration, he said.

"We (the resistance) will never accept the Australian plan unless the administrative structure of both governments are simultaneously dismantled from top to bottom," he said.

He reaffirmed his pledge never to give up on peace efforts, "no matter how many rounds of talks" are needed, but added that the resistance would continue to fight rather than accepting an "unequitable" peace plan.

"The resistance forces are not being forced to fight to liberate their country," he said.

He maintained that the resistance now had the upper hand in the battlefield over the Phnom Penh forces.

The prince quoted Khieu Samphan and Khmer Rouge commander-in-chief Son Sen as telling him that their guerrillas were now isolating government forces defending Battambang and Seam Reap, having disrupted rail and highway links from Phnom Penh to the two key provincial towns.

"According to Khieu Samphan, there is now no possibility of Phnom Penh reinforcing its forces inside Battambang and Seam Reap," he said.

The prince quoted the Khmer Rouge leaders as claiming that they were strong enough to capture the two towns any day, but had delayed to study the political implications of such an offensive.

"They are studying the political situation and have yet to fix a date for the offensive," he said.

Sihanouk said the operation would not be launched before or during the Jakarta informal meeting to avoid damaging the atmosphere for peace talks.

He added that Premier Chatchai's policy advisers had mentioned to him at his meeting with the premier that they would like to see the resistance slow down their offensive.

He said the resistance would launch a major offensive later this year during the rainy season when Phnom Penh's tanks and other heavy military hardware are bogged down.

Some of the other key points made by Prince Sihanouk during the interview:

—He welcomed a resolution by the five permanent members of the UN Security Council stating that the Cambodian factions' troops should be regrouped and put in barracks designated by the United Nations. The prince said the plan was in line with the resistance's proposal that all factions' troop strength be reduced to 10,000.

—He will instruct his son and representative Prince Norodom Ranariddh to propose at the Jakarta meeting that as "rich and developed" countries, ASEAN nations should contribute to the operations of a UN interim administration of Cambodia by sending their qualified personnel into the country.

—He expressed frustration that the Americans and some Western countries continued to accuse him of collaboration with the Khmer Rouge despite his decision to quit all coalition posts to distance himself from the communist group.

—A house has been built for him by his faction in Cambodian territory about 10 kms from the Thai border, opposite Surin province.

Sihanouk Welcomes UN Call To Limit Troops

BK1502082390 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 15 Feb 90

[Text] Samdech Preah Norodom Sihanouk welcomed the five-member UN Security Council's call for an end to the deployment of the four Cambodian armies and to gather all of them at one place. However, he stressed that the United Nations should be the one determining the venue for each side.

Earlier, high-ranking officials of the United States, the Soviet Union, China, Britain, and France, who met in New York to discuss the Cambodian issue, described the end of the deployment of all Cambodian faction troops and their congregation as necessary for UN peace operations in Cambodia. Samdech Preah Norodom Sihanouk stressed that the gathering points for each Cambodian army should be determined by the United Nations and not by themselves. He said that the Cambodian resistance armies demanded that all four faction's armies, apart from being congregated, be reduced to 10,000 men each.

Samdech Preah Norodom Sihanouk is staying in Phatthaya, Thailand. He said all this during a meeting with reporters. Samdech Preah Norodom Sihanouk plans to return and stay in Cambodia in the future.

Australian Team Meets With Sihanouk Official

BK1502091190 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 15 Feb 90

[Text] A group of Australian officials, who recently ended a week-long visit to Cambodia and are searching for ways to implement Australia's peace proposal for Cambodia, yesterday met with an official of the office of Samdech Preah Norodom Sihanouk's personal representative in Cambodia and Asia. The Australian delegation, which visited Cambodia, was sent by Australian Foreign Minister Gareth Evans, who put forward a peace proposal at the end of last year to put Cambodia under an interim UN administration to supervise free elections in Cambodia and a cease-fire.

This Australian delegation is led by Robert Merrillees, head of the International Organization Department of the Australian Foreign Ministry. The delegation also met with Hun Sen last Monday to discuss plans for the informal meeting in Jakarta to be held shortly. The meeting is expected to focus on Australia's proposal to put Cambodia under UN administration.

Officials of the Australian delegation also met yesterday with an official of the office of Samdech Preah Norodom Sihanouk's personal representative in Cambodia and Asia. The Australian Embassy in Bangkok, Thailand, disclosed that the Australian delegation will visit Site Two camp along the Cambodia-Thai border. The Site Two camp, which is under the administration of the Khmer People's National Liberation Front led by His Excellency Son Sann, is home to 300,000 Cambodian people.

Ali Alatas Sends Reply to Khieu Samphan

BK1502061590 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 14 Feb 90

[Text] On 4 February, His Excellency Khieu Samphan sent a letter to Indonesian Foreign Minister His Excellency Ali Alatas emphasizing his stance regarding an international conference on the settlement of the Vietnamese war of aggression against Cambodia. On 8 February, Ali Alatas sent a reply to Khieu Samphan.

In this letter, Ali Alatas assured Khieu Samphan that this conference will be held within the framework of the Paris International Conference on Cambodia in terms of its essence and procedures.

Here are excerpts of the letter from His Excellency Ali Alatas:

Jakarta, 8 February 1990
Your Excellency:

I would like to inform you that I have received your letter dated 4 February 1990 and would like to thank you for exchanging views with me and expressing your concerns regarding the informal meeting on Cambodia to be held in Jakarta.

I would like to take this opportunity to discuss the concerns you have raised so as to avoid any more misunderstandings or doubts that you may have regarding the true nature and aim of the proposal for the meeting in Jakarta.

I would like to reassure you, as I did when we met in Bangkok last month, that to Indonesia and the other ASEAN countries, the process of the Jakarta informal meeting, JIM, is over now. Regardless of how each of us evaluated the outcome of the JIM, newer and broader prospects and the Paris International Conference on Cambodia have overtaken the JIM's outcome. Therefore, we cannot and should not return to the process of the informal meeting in Jakarta. Doing this would be tantamount to stepping back in our common efforts to seek a comprehensive political solution.

In this connection, I would like to respectfully remind your excellency that when the ASEAN ministers met in New York in September 1989 during the UN General Assembly session to discuss Thai Prime Minister Chatchai's proposal on convening an informal meeting within a narrow framework, I insisted, with the consent

of the other ASEAN ministers, that we should not turn back to the process of the JIM because this would be tantamount to stepping back in the search for peace. This would cause complications and might make some of the participants in the Paris conference feel slighted for not being invited to attend this informal meeting. This is why the ASEAN foreign ministers unanimously agreed that if another informal meeting was to be held, it should be arranged under the framework of the Paris international conference and should aim at discussing a comprehensive settlement and not a partial one. Indonesia and the ASEAN still cling to this basis.

Before proposing to convene this new informal meeting and in order to make it clear to all parties concerned, Indonesia officially and publicly issued a statement regarding this matter. Recently I openly announced that this new meeting should have a new name. That is, it should be called the informal meeting on Cambodia with the acronym IMC in order to avoid being confused with the JIM format.

I would like to stress once again that since this informal meeting on Cambodia in Jakarta is to be organized within the framework of the Paris conference, both its essence and procedures should follow the framework of the Paris conference.

This is why I have repeatedly discussed this matter. I must tell you, frankly, that with regard to the convening of the informal meeting on Cambodia, Indonesia does not want to return to the process of JIM. Concerning the aim of the informal meeting on Cambodia, I would like to assure you once again that Indonesia fully recognizes the significance of the three major international conferences you mentioned in your letter, namely the Paris International Conference on Cambodia, the 44th UN General Assembly, and the recent Paris conference of the five permanent members of the UN Security Council.

Your Excellency, Indonesia, like yourself, is convinced that the Paris conference should be reconvened as soon as possible. Due to the existing problems, we also realize that proper arrangements should be made before resuming the Paris conference. Therefore, the informal meeting on Cambodia is, in essence, a preliminary meeting prior to the convening of the plenary, official meeting in Paris, as I have stressed in this letter to you.

At present, the persons I have contacted agree that we should hold an informal meeting on Cambodia prior to the resumption of the Paris conference in order to see how much of the problem we can resolve. This would also serve to narrow the differences among the parties concerned. We do not want another Paris conference to end in a deadlock, because this will affect the overall negotiations.

In its efforts to work out the details of Australia's proposal, the informal meeting on Cambodia does not intend to abandon the aim of a comprehensive settlement and accept a partial one. Such an aim has never existed nor will it ever exist.

In conclusion, the composition of the participants is as I informed your excellency when we met in Bangkok. We pay attention to and highly value the role and contribution of the five permanent members of the UN Security Council. All of us hope that the five permanent members of the UN Security Council will play a more active role, according to their capacities and interests, in solving the Cambodian conflict now that they are holding meetings among themselves.

Your Excellency, my reply to you seems to be a bit too long. However, it shows that I have tried my best to clear up any misunderstandings that your excellency might still have regarding the informal meeting on Cambodia.

I hope that with all these explanations, your excellency may be able to attend the informal meeting in Jakarta according to the schedule that I have proposed to you.

Please accept my highest regards.
[Signed] Ali Alatas

Khieu Samphan Agrees To Attend Jakarta Meeting

BK1502020490 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 14 Feb 90

[Text] On 12 February 1990, Vice President Khieu Samphan sent a letter to Samdech Norodom Sihanouk replying to the samdech's message dated 9 February 1990. Here is the full text of Vice President Khieu Samphan's letter:

12 February 1990
To Samdech Norodom Sihanouk, president of Cambodia
(Pathumvan), the Kingdom of Thailand
Esteemed Samdech:

I have received your message dated 9 February and your note dated 11 February.

During the audience that the samdech kindly granted me on 7 February, I informed the samdech that I would not attend the informal meeting scheduled to be held in Jakarta on 26 February. I had already informed the samdech about my reasons and concerns. The meeting's agenda and procedures were unclear. Moreover, it was said that the meeting would base its discussions on the Australian plan. If this were the case, our attendance at the meeting would be tantamount to abandoning the samdech's five-point peace plan. Therefore, attending would mean that we would be putting our nation in jeopardy.

However, at the request of the Thai prime minister, His Excellency Chatchai Chunhawan, the samdech kindly sent the above-mentioned message to me. In line with my profound respect for the samdech and with the benefaction of the Royal Thai Government and Thai people, who have given invaluable assistance to our nation, our national resistance forces, and our Cambodian national government in the most difficult time in

our nation's history, and with [words indistinct] and solidarity of the Royal Thai Government toward us, I had the duty of reconsidering this matter.

Meanwhile, I received a long letter from the Indonesian foreign minister, His Excellency Ali Alatas. This letter was [words indistinct] but it confirmed that a meeting similar to Jakarta 1 and Jakarta 2 would not be held. This type of meeting will no longer exist; there is no need to hold such a meeting again. He also said that the coming meeting in Jakarta would be within the framework of the international conference in Paris and would have a similar goal—to settle the Cambodian problem comprehensively—and similar procedures, particularly on the point that each problem can be resolved only after it is jointly approved by [words indistinct].

For the above-mentioned reasons, I have decided to attend the meeting. In attending this meeting, I will adhere to the samdech's five-point peace plan, particularly the two key points which are known to all:

1. The withdrawal of all categories of Vietnamese aggressor forces from Cambodia under UN supervision along with representatives of the four Cambodian parties.

2. National reconciliation among all Cambodians through the establishment of an equal four-party provisional government headed by Samdech Norodom Sihanouk. This four-party provisional government will be responsible for organizing a free and democratic election.

Through this five-point peace plan, the world community can determine the broadness of our goodwill in seeking a political solution to the Cambodian problem. The world community must have already seen and realized how the samdech's five-point peace plan has played an important role with regard to the United Nations. No one can argue with the fact that the samdech and our Cambodian national government have repeatedly demanded that a UN international control mechanism and UN international peacekeeping force with a sufficient number of personnel and equipped with sufficient measures be sent to ensure that each step of a settlement of the Cambodian problem proceeds smoothly from the beginning to the end.

Our people have suffered untold misery in the past 11 years due to the Vietnamese war of aggression. They have made countless great sacrifices in this struggle waged under the leadership of our Cambodian national government headed by the samdech. No one else wants peace more than our people. But as the samdech has repeatedly stressed, our people want a peace that comes with national honor and independence. Our people resolutely reject the kind of peace forced on us by Vietnam. Therefore, all of us [words indistinct] the samdech's peace plan.

In [words indistinct] the samdech's peace plan, we enjoy the support of the ASEAN nations and all other peace- and justice-loving countries because they also want Cambodia to regain independence and peace and to become a neutral country so that peace and stability in this region will also be free from any threat.

Please, Samdech, accept my most sincere respects.
[Signed] Khieu Samphan

SRV-Phnom Penh Stance Called 'Obstinate'

BK1502093990 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 14 Feb 90

[Unattributed commentary]

[Text] The obstinate stance of the Vietnamese enemies and the Hun Sen-Heng Samrin puppet clique—lackey of the Vietnamese—remains unchanged. On 10 and 11 February 1990, the Vietnamese enemies summoned their two [Cambodian and Lao] puppet-lackeys to meet in Phnom Penh in order to prepare a speech for their delegation to address the coming meeting in Jakarta.

A confirmation issued by the Hanoi Vietnamese enemies and their two puppet-lackeys stated clearly that:

1. There will be no national reconciliation. The Phnom Penh puppet regime—lackey of the Hanoi Vietnamese aggressors—must be maintained.
2. Any election in Cambodia must be organized by the puppet regime and no UN supervision is allowed.

This is an outdated, obsolete stance. As the Jakarta meeting is to be held at the end of February 1990, the Hanoi authorities and their puppet-lackeys have arrogantly and openly declared that their stance remains unchanged; that they will maintain the Vietnamese puppet regime; and that they will not allow the United Nations to supervise any election. This clearly shows that the Hanoi Vietnamese aggressors have continued to hide their aggressor forces for controlling Cambodia through the puppet regime.

The political and diplomatic circles have been well aware of the bellicose faces and true nature of the Hanoi Vietnamese aggressors and their puppet-lackeys. They know well that the Vietnamese enemies and their puppets do not want to end the war of aggression and occupation of Cambodia. The Vietnamese enemies have obstinately carried on their aggression and occupation of Cambodia through their puppet regime.

Phnom Penh Position on UN Role Analyzed

BK1002080190 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 9 Feb 90

[Station commentary: "What Is Behind the Proposal Put Forth by the Vietnamese Enemies and Their Puppets?"]

[Text] Vietnam's Phnom Penh Puppet Hor Nam Hong [former Cambodian ambassador to the USSR] recently

told reporters that his group was considering a UN role in a settlement of the Cambodian problem and that it also proposed a cease-fire and the cessation of military aid to the Cambodian parties. However, what are the true objectives of the maneuvers conducted by the Vietnamese enemies?

1. With regard to the UN role, the Vietnamese enemies and their puppets have not given complete details as the National Government of Cambodia has. They declared that they accepted the UN role just to conform to the world demand and to circumvent international condemnation. They did not discuss the UN role in monitoring the withdrawal of all Vietnamese troops and in organizing just, free, and democratic elections in Cambodia; nor did they talk about the dissolution of their regime to pave the way for a provisional quadripartite government to cooperate with the United Nations in implementing and monitoring the peace process in Cambodia. As such, people clearly see that the Vietnamese are deceitful on this issue.

2. The Vietnamese enemies and their lackey puppets demand a cease-fire while over 200,000 Vietnamese troops—being disguised as puppet soldiers, puppet militiamen, and Cambodian civilians hiding in jungles—and over 1 million Vietnamese settlers are still present in Cambodia. This means that after a cease-fire, these Vietnamese aggressors will continue to occupy Cambodia. However, at present, the Vietnamese enemies are bogging down and suffering serious setbacks on the battlefields, especially in western Cambodia. Our national resistance forces, in close cooperation with the Cambodian people, continue day and night to attack the Vietnamese enemies, putting constant pressure on them. This is why they conduct fallacious maneuvers to demand a cease-fire to alleviate their hardship temporarily with the aim of continuing their occupation of Cambodia.

3. The Vietnamese enemies and their lackey puppets demand the cessation of military aid to the Cambodian parties while Vietnam and the Soviet Union continue to send huge shipments of armaments, ammunition, and war equipment to the Vietnamese aggressor forces in Cambodia.

With the common Vietnamese-Cambodian border, both on land and at sea, stretching over 900 km, if there were no sufficient UN manpower to be installed at important strategic checkpoints where these shipments pass through, the prevention of armaments, ammunition, and fresh Vietnamese troops from being sent to Cambodia would not be possible.

That being the case, the so-called proposal put forth by the Vietnamese enemies is nothing but a gross deception designed to perpetuate the Vietnamese invasion and occupation of Cambodia.

Therefore, to achieve a comprehensive, just, and definitive political settlement of the Cambodian problem, it is necessary to continue applying pressure on the Vietnamese aggressor enemies in order to force them to seriously resolve the problem by:

1. Genuinely withdrawing all their aggressor troops and forces from Cambodia under the control and supervision of a UN international control mechanism [UN-ICM] with the participation of the four Cambodian parties. The UN-ICM should have sufficient manpower and facilities and be stationed at the 26 strategic checkpoints in Cambodia in order to prevent shipments of armaments, ammunition, and foreign troops from flowing into Cambodia which could cause the outburst of civil war.

2. Allowing for a veritable national reconciliation with the formation of a temporary, balanced, quadripartite government headed by Samdech Norodom Sihanouk. To establish the four-party government, it is mandatory to dissolve the illegal puppet regime and the legal Cambodia—a UN member—simultaneously.

3. The United Nations with the participation of the provisional quadripartite government should conduct a national census and organize free, just, and democratic elections in Cambodia.

Only by doing so can the Cambodian problem be resolved and peace, security, and stability reestablished in Cambodia, thereby promoting peace, security, and tranquillity in Southeast Asia and the Asia-Pacific region, and contributing to the restoration of peace, security, and stability in the world.

Indonesia

Reportage on Possible Normalization of PRC Ties

Alatas Comments on Normalization

BK0702104190 Jakarta ANTARA in English 0932 GMT 7 Feb 90

[Text] Jakarta, Feb 7 (OANA/ANTARA)—Foreign Minister Ali Alatas has said that there is a possibility that the foreign minister of the People's Republic of China [PRC], Qian Qichen, will come to Jakarta to complete the problem of normalization of the disrupted relations between Indonesia and the PRC following the attempted coup by the Indonesian Communist Party (PKI) in 1965.

"I have not yet contacted Foreign Minister Qian Qichen, so there are now two possibilities: I will leave for Beijing or Foreign Minister Qian Qichen will come to Jakarta", Alatas said to journalists before the cabinet meeting at Bina Graha Presidential Office here on Wednesday [7 February] morning. Until now, no place or date for the meeting have been fixed, he added.

However, Minister/State Secretary Murdiono on Tuesday before a parliament meeting gave an indication that normalization could be implemented at the latest by the end of this year or early in 1991.

The Alatas-Qian Qichen meeting will round off the negotiations between the senior officials of the two countries in Jakarta last December which produced agreements in principle on the restoration of RI [Republic of Indonesia]-PRC relations. The foreign minister also explained that the Foreign Office had not yet submitted a DUP (project proposal list) on expenditures needed for the opening of an Indonesian mission in the People's Republic.

"We have anticipated the amount of expenses", he said, adding that the figures disclosed in parliament last Monday were only pre-DUP estimates, namely, more than eight billion rupiah.

On the Cambodian problem, Alatas said that not all parties had been invited yet. However, the conflicting parties in Cambodia had officially expressed readiness to come to Jakarta to attend the informal meeting on Cambodia, scheduled for February 26-28.

"I hope to receive confirmation within two to three days", he said. Only written confirmations to attend had so far been received from the ASEAN member countries, he added.

Asked about French Foreign Minister Roland Dumas' readiness to come to Jakarta, Alatas said that efforts to that end were being carried out.

Roland Dumas was reported to be on a visit to Hanoi, Vietnam, by the end of this month. The Cambodian meeting is scheduled to take place at the Hotel Indonesia, Jakarta, with all ASEAN countries, the four Cambodian factions, Vietnam, and Laos as participants.

France was also invited to Jakarta in its capacity as co-chairman (with Indonesia) of the International Conference on Cambodia (ICC). Australia was also invited because the Jakarta meeting will be focussed on discussions on the Australian proposal on the United Nations' involvement in the solution of the Cambodian conflict.

Try Sutrisno Defends Restoration

BK0802021490 Jakarta Domestic Service in Indonesian 0000 GMT 8 Feb 90

[Text] General Try Sutrisno, commander of the Armed Forces of the Republic of Indonesia [ABRI], held a working meeting with House Commission I [in charge of foreign affairs, defense, and information] led by commission Vice Chairman Ipik Asmasubrata in Jakarta last night. Answering questions by House members on diplomatic relations with the PRC, ABRI Commander Gen Try Sutrisno reiterated the thawing of relations with the PRC does not mean fear of the Communists.

[Begin Sutrisno recording in progress] ...but these relations are solely based on our national interests. After a long period of development, we, the Indonesian people, now feel that we are more stable and mature. As our development program further advances, we deem it even more necessary to (?develop) relations with all nations. Accordingly, we must be courageous enough to face this reality. Thus, I reiterate once more that this is not because we are now afraid of or slack against the communists. We will continue to live (?as a strong nation) under Pancasila. Let other nations have other ideologies! [passage indistinct] [end recording]

Gen Try Sutrisno also said the ABRI and people are always ready to face external or internal challenges. At present, relations between nations are necessary to promote the development of each nation.

Relations Tied to Khmer Rouge

BK1402131890 Hong Kong AFP in English 1305 GMT 14 Feb 90

[By Alain Boebion]

[Text] Jakarta, Feb 14 (AFP)—Indonesia has offered China normalized relations in return for Beijing's assurance that the Khmer Rouge will attend an international conference on Cambodia here, a government spokesman said Wednesday. Indonesian State Secretary Murdiono said that the message, sent by Indonesian President Suharto, was explicit: If the Khmer Rouge would come to Jakarta, then Indonesia's foreign minister would go to Beijing to normalize ties.

After weeks of diplomatic exchanges, Indonesia has apparently succeeded in getting all parties to the 11-year Cambodian conflict, including the Marxist Khmer Rouge, to agree to attend informal talks here on February 26-28. Nonetheless, it remained deeply concerned that the talks come off.

The message, sent Tuesday, had already been received in Beijing, sources said here Wednesday though Indonesian Foreign Minister Ali Alatas had yet to receive formal acceptance of their invitation to the talks from the Khmer Rouge. Meanwhile Jakarta had been putting forth technical matters as the reason for the slowness in normalisation negotiations between China and Indonesia.

On Tuesday, the Khmer Rouge, the dominant faction in the tripartite guerrilla coalition opposing the Phnom Penh government, sent a letter to Prince Norodom Sihanouk stating its intention to take part in the Jakarta talks. Prince Sihanouk heads one of two non-communist groups in the coalition. The other is headed by former Prime Minister Son Sann.

Jakarta and Beijing have been on the path toward normalization for several years, but true negotiations have only been taking place since February 1989. Relations were frozen in 1967 when Jakarta accused China of having supported an abortive 1965 coup carried out by the Indonesian Communist Party (PKI) and of sheltering PKI members. Indonesia outlawed the PKI in 1966.

Mr. Murdiono, quoted by the official ANTARA News Agency, said that Mr. Alatas would go to Beijing "to finalize" the negotiations. But he did not specify when

the visit would take place, nor did he have any comment on the upcoming discussions.

Western diplomats said that a technical mission would go to China at the the end of February or early March to discuss some 90 million dollars in debts owed by Indonesia to China prior to 1967.

An Indonesian source said that an embassy would be opened in Beijing as soon as the debts, denominated in French francs and pound sterling and linked to gold, were settled. The mission would have the highest status in the Indonesian diplomatic hierarchy and consist of 21 people, including nine diplomats, the source said. A mission could be opened this year as monies were available in the 1990-91 budget, observers said.

The Khmer Rouge initially refused to come to the Jakarta talks and sit alongside the other guerrilla factions and the Phnom Penh government of Prime Minister Hun Sen. The Phnom Penh regime was installed by Vietnam after its troops invaded Cambodia in December 1978 and quickly toppled the Khmer Rouge government, which has been blamed for acts of genocide during its bloody 1975-79 rule.

Indonesia has been developing its role as a regional power, while also seeking to renew relations with China, despite past statements by Indonesian military officials that China represented the sole potential enemy in the region.

Mr. Alatas was unable Wednesday to confirm the Khmer Rouge's presence at the informal Jakarta talks, despite a statement to that effect issued Tuesday night in Bangkok by Khmer Rouge leader Khieu Samphan. The group's about-face on the issue followed several initiatives from Thailand aimed at getting Prince Sihanouk to force the Khmer Rouge to drop its boycott of the talks.

Thailand and the United States are the principal Western backers of the non-communist resistance factions, which maintain bases inside Thai territory along the Cambodian border.

The non-communist guerrilla groups, Phnom Penh, Vietnam, Laos and the members of the Association of South East Asian Nations (ASEAN)—Brunei, Malaysia, the Philippines, Singapore and Thailand—have agreed to send repesentatives to the talks here. Indonesia is also a member of ASEAN.

(In Kuching, Malaysia, Mr. Alatas said late Wednesday that there was "general acceptance" among ASEAN members of the Australian plan calling for an interim United Nations administration leading to supervised elections in Cambodia. He made the comment before an informal dinner with ASEAN diplomats, their first meeting since Australia floated the plan late last year.)

France, as co-president with Indonesia of the failed Cambodian international peace talks in Paris in August, will be present in Jakarta.

Also agreeing to attend was Australia, whose plan will serve as the basis of the talks.

Daily Views 'Logical Step'

BK1202104190 Jakarta THE JAKARTA POST in English 8 Feb 90 p 4

[Editorial: "Importance of China Ties"]

[Text] Two members of the cabinet, Minister of Foreign Affairs Ali Alatas and Minister of the State Secretariat Murdiono, in meetings with the House of Representatives last week gave sharper focus to the matter of the normalization of diplomatic relations between Indonesia and China. Bilateral relations between the two were frozen in 1967, as may be remembered, due to the internal developments in both countries.

Foreign minister Ali Alatas' appearance before the House Committee on Foreign Affairs and National Security occurred in the context of the budget requested for the Ministry of Foreign Affairs for fiscal 1990-91. A budget allocation for the cost of maintaining an Indonesian embassy in Beijing raised questions from some members of the House committee as to whether such a normalization of relations between the two countries was definite.

As was to be expected, Minister Alatas' reply pointed out the fact that in preparing a new budget, all the possibilities had to be taken into account, including the likelihood that an Indonesian embassy would be opened in Beijing during the 1990-91 fiscal year.

The minister's statement indicates there are no longer any principal difficulties standing in the way of such a normalization of relations, and an Indonesian technical team was expected to leave Jakarta for Beijing in the near future to continue the discussions held in the Indonesian capital in December. It seems that there are still some differences in the precise calculation of Indonesia's outstanding debts to China. The following step, as Minister Alatas said, would be to arrange a meeting between the foreign ministers of both countries, during which presumably a document will be signed to make the resumption of full diplomatic relations between Indonesia and China official.

It is interesting to note that Minister Murdiono's statement made before a House committee dealing with, among other things, matters related to the State Secretariat and Home Affairs Ministry, contained a more principled approach towards the issue of normalization of relations with China. The fact that Minister Murdiono was also speaking about the issue naturally has its own background.

At the end of February almost a year ago, while accompanying President Suharto on an official visit to Tokyo to attend the funeral ceremonies of Emperor Hirohito, it was Minister of the State Secretariat Murdiono who conducted the talks with China's Foreign Minister Qian Qichen. Out of that meeting a statement was issued to the effect that Indonesia and China had agreed to begin

the process of normalizing their diplomatic relations. Since then, Minister Murdiono, who during the past years was assigned to oversee Indonesia's increasing trade relations with China, has been acting as a kind of case manager with regard to the resumption of diplomatic relations with Beijing.

Minister Murdiono said it was difficult to imagine a country like Indonesia, with a population of more than 170 million, not having formal relations with an Asian country whose population is the biggest in the world. He also referred to the preamble of the Indonesian Constitution, which states Indonesia's reponsibility "to contribute towards the establishment of a world order based on freedom, peace and social justice." He also pointed out that the reactivation of diplomatic relations with China was in the framework of Indonesia's active and independent foreign policy.

We have the distinct feeling, however, that both ministers in explaining the problem of Indonesia's relationship with China—each from his point of view—were indirectly attempting to explain to sceptical groups at home that the changed international context and the great changes that have taken place both in China and in Indonesia are valid justifications for such normalization, and that such a measure would be to the benefit of Indonesia's expanding national interests.

We would like to add still another reason for taking the step, either at the end of this year or early next year, as projected by Minister Murdiono.

Great changes are sure to occur in China in the coming years because, aside from the rapid developments in Eastern Europe and in the Soviet Union, that country cannot forever be ruled by octogenarians. If and when those changes occur, a different China will emerge on the Asia-Pacific scene. To attain a respectable body of expertise and get the correct feel of such a large and complex country as China, considerable time is needed. For that reason, it is only proper for Indonesia to open a full-fledged diplomatic representative office in Beijing within the coming year.

Enough discussions have been held on the issue, and views expressing concern over the possible negative impacts of normalization of relations with China appear to have been sufficiently accommodated. Therefore, we do not see any principal reason for continuing to postpone the taking of a foreign policy measure which basically is nothing more than a logical step, commensurate with Indonesia's increasing national interests.

Alatas Views Future Negotiations in Peace Talks

BK0502090890 Hong Kong AFP in English 0845 GMT 5 Feb 90

[Text] Jakarta, Feb 5 (AFP)—Indonesia warned Monday of tough negotiations to resolve the 11-year old Cambodian conflict when it convenes a fresh round of informal talks here later this month. The meeting, scheduled for February 26-28, was made possible after the warring Cambodian factions and their supporters agreed on the need for a greater United Nations role in settling the conflict, Indonesian Foreign Minister Ali Alatas said.

"We realise the positions of the parties are still wide apart on details, and therefore the informal meeting on Cambodia will be faced with several problems and complexities," he told a parliamentary hearing.

Mr. Alatas said he was still waiting for confirmation of attendance from all the prospective participants: the four Cambodian factions, Vietnam, Laos, the six members of the Association of Southeast Asian Nations (ASEAN), and France, which with Indonesia co-hosted the Paris International Conference on Cambodia in August. He said Australia had been invited as a "recourse delegation" as it was an Australian initiative calling for the U.N. to form an interim administration in Phnom Penh and supervise elections that prompted the latest round of diplomacy on Cambodia.

The minister said the talks here would be officially called the Informal Meeting on Cambodia (IMC), but they would not be a continuation of two earlier meetings known as the Jakarta Informal Meeting (JIM) process, which had already served its purpose in paving the way for the Paris conference. The IMC would be held in the context of the Paris meeting, as a preliminary to returning to the international conference format, he said, adding he expected the talks here to make progress.

The Paris conference was adjourned for six months after the Cambodian factions failed to agree on the key issue of an interim government that would hold general elections.

Asked about Indonesia's attitude if the IMC failed to make progress, Mr. Alatas said: "Together with other ASEAN states, we are expected to continue our efforts as long as the Cambodian issue remains unresolved, as part of our regional responsibility."

ASEAN, which has been at the forefront of efforts to bring peace to Cambodia, groups Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

The Cambodian conflict pits the Phnom Penh Government of Prime Minister Hun Sen, installed and supported by Vietnam, against an uneasy resistance coalition including the Marxist Khmer Rouge and two non-communist factions headed by Prince Norodom Sihanouk and former Prime Minister Son Sann.

The Khmer Rouge, armed primarily by China, is the most militarily powerful resistance faction.

Vietnam sent troops into Cambodia in December 1978 to overthrow a Khmer Rouge regime blamed for killing hundreds of thousands of Cambodian civilians during its nearly four-year reign. Last September, Hanoi announced that it had totally withdrawn its soldiers, a claim disputed by the resistance guerrilla coalition, which holds Cambodia's U.N. seat.

Resolving of Issues Pending With Malaysia Urged

BK0502122290 Hong Kong AFP in English 1209 GMT 5 Feb 90

[Text] Jakarta, Feb 5 (AFP)—Indonesia, apparently still concerned at last month's execution of one of its citizens in Malaysia, urged Kuala Lumpur Monday [5 February] to resolve outstanding bilateral issues.

Foreign Minister Ali Alatas told a parliamentary hearing that although ties between the two neighbouring countries were close, "we should not foreclose the need to resolve pending problems." He said one problem which both sides should discuss was the possibility of Malaysian authorities informing Jakarta earlier of any arrests and trials of Indonesian citizens in order to give time for its consulates to provide help.

In the case of Basrie Masse, who was hanged last month in the eastern Malaysian state of Sabah for smuggling marijuana, Indonesia was only told after he was sentenced, while earlier action would have allowed the Indonesia consul there to seek legal assistance, he said.

"These problems, if not handled, could become a source of friction," Mr. Alatas said. He said other pending problems included the need to finalise the delineation of their common border in Kalimantan (Borneo), resolve overlapping claims to two small islands in the South China Sea and the question of fishing rights for Indonesians.

Basrie's execution prompted a series of protests here while Jakarta expressed regret that its appeals for a stay of execution failed.

Malaysian Prime Minister Mahathir Mohamed Saturday accused unnamed Indonesian groups of sabotaging what he regarded as the "special relationship" between the two countries by protesting Basrie's hanging. Mr. Mahathir said no other countries had protested when their nationals had been executed in Malaysia for drugs offences, adding that he was confident the situation would return to normal.

Mr. Alatas said although Malaysia was not a party to a Vienna convention requiring signatories to inform each other when arresting a foreign citizen, "we feel we should be informed each time there is an arrest (of an Indonesian)." Hundreds of thousands of Indonesians work in Malaysia and a prompt notification of any arrest would help Indonesian consulates to take the necessary action, he added.

Forestry Officials Meet With SRV Minister

BK0802031890 Jakarta Domestic Service in Indonesian 0000 GMT 8 Feb 90

[Text] The Vietnamese Government wants to learn from Indonesia about forestry development. Sutisna Wartaputra, director general for the preservation of forests and nature, said this after attending a meeting between Vietnamese Forestry Minister Phan Xuan Dot and senior officials of the Forestry Department in Jakarta yesterday afternoon. Vietnam has expressed this intention because forestry development in Indonesia is more advanced than that in Vietnam.

According to Sutisna Wartaputra, the Vietnamese Government wants to learn, among other things, how to replant bare areas with fast-growing plants as Indonesia is now doing. Vietnam also wants to learn about the development of the forestry industry, because this country has potential forest areas.

Former Communists To Gain Vote After Screening

BK0702104890 Hong Kong AFP in English 0959 GMT 7 Feb 90

[Text] Jakarta, Feb 7 (AFP)—Indonesia will be careful in giving former communist detainees the right to vote, Home Affairs Minister Rudini said Wednesday. "What is clear is that (the plan's) implementation will not be made carelessly," Mr. Rudini said, adding that only those clearly found to have no further link with communism would be allowed to vote.

Mr. Rudini said voting rights would only be given after those in question had been screened by the state security agency (Bakorstranas) and the armed forces' Strategic Intelligence Agency.

The government announced Saturday it was drafting an ammendment to a 1985 presidential decree which would specify whether or not former communist detainees could vote in 1992 elections. Most of the 1.4 million former members of the outlawed Communist Party of Indonesia (PKI) were allowed to vote in the 1987 polls under the decree, while some 40,000 others failed to pass security screening.

The government destroyed the PKI in a ruthless crackdown after an abortive communist coup attempt in 1965, rounding up thousands of members and supporters of what was then the second largest communist party in Asia. Most had been released by the late 1970s but association with the PKI, either direct or indirect, continues to be one of the government's main security preoccupations.

Rudini Comments Further on Issue

BK0702133790 Jakarta Domestic Service in Indonesian 1200 GMT 7 Feb 90

[Text] Home Affairs Minister Rudini said all former communist detainees are required to prove that they are no longer linked to communist ideology if they want to exercise their voting rights in the next general elections. The minister said this requirement is mandatory.

Speaking before a limited meeting of cabinet ministers in charge of economic affairs in Jakarta today, Minister Rudini said that even though the government will allow former communist detainees to exercise their voting

rights in the next elections, the government will not be careless in allowing former B-category detainees to use such voting rights. He added that these people will be granted voting rights only after they have been screened by Bakorstranas [Coordinating Agency for the Consolidation of National Stability] and the Strategic Intelligence Agency. The government has also restored the voting rights of former C-category detainees.

Foreign Pressure on Phone Networks Deal Denied

BK1502071690 Hong Kong AFP in English 0706 GMT 15 Feb 90

[Text] Jakarta, Feb 15 (AFP)—Indonesia Thursday [15 February] denied it was under pressure from any foreign government to decide on the winner of a lucrative 300 million dollar tender to expand its telephone networks. "I can say that there is no intervention or pressure from any government in this tender project," State Secretary Murdiono said at the Presidential Palace.

Mr. Murdiono said President Suharto had received a letter dated February 3 from U.S. President George Bush alleging pressure from another government to influence Indonesia's choice and requesting that an American company be given the opportunity to win the tender. The government has shortlisted the candidates to NEC Corp of Japan and a Dutch subsidiary of American Telephone and Telegraph (ATT) from an original list of 11.

Mr. Murdiono said the decision on the winner, to be taken by Mr. Suharto, "will be based on rational, fair, just and appropriate considerations."

"I believe the letter...was based on wrong information, as if there was interference or pressure from another government on Indonesia in determining the winner," he said. Mr. Suharto has replied to Mr. Bush through a letter relayed by Indonesia's ambassador to Washington, Mr. Murdiono said without giving further details. The winner of the project will build Indonesia's second telephone digital switching equipment supplying 350,000 new lines but industry sources said the eventual worth of the contract could climb to two billion dollars given repeat orders and spare parts supplies.

Mr. Murdiono said "because it had become an open issue and because of the letter," President Suharto had decided to personally take the decision over the bids, usually the prerogative of the coordinating minister of finance, industry and economy.

Officials said the eventual winner would have to work together with PT Elektrindo Nusantara, a private firm owned by one of Mr. Suharto's sons.

The first digital system was awarded in 1982 to Siemens AG of West Germany which worked with state-owned PT Inti. The government plans to build 1.4 million new telephone lines during the current five-year plan which began April 1 to ease the acute shortage of lines, a source of complaint among foreign investors in Indonesia. Five private national firms last week won contracts worth a total of 122 million dollars to install 100,000 new lines in Jakarta.

Laos

Supreme Soviet Delegation Arrives for Visit

BK1502102290 Vientiane KPL in English 0855 GMT 15 Feb 90

[Text] Vientiane, Feb 15 (KPL)—A delegation of the Supreme Soviet of the USSR led by G.I. Usmanov, secretary of the CPSU CC [Central Committee] and people's deputy of the Soviet Union, arrived here yesterday for a 4-day friendly visit to the Lao PDR [Lao People's Democratic Republic] at the invitation of the Lao People's Supreme Assembly.

While here delegations of the two countries will exchange views and experience on the situation at home and abroad, on the one hand, and the People's Supreme Assemblies activity on the other.

The Soviet delegation will tour some production bases in Vientiane and Luang Prabang.

The delegation was met at the airport by Somlat Chanthamat, secretary of the party CC, and head of its Propaganda and Training Board, Chaleun Yiapaoheu, alternate member of the party CC, and standing member of the People's Supreme Assembly.

Soviet Ambassador to Laos Yuriy Mikheyev was also present at the airport.

Culture Delegation Leaves for Visit to USSR

BK1502104290 Vientiane KPL in English 0859 GMT 15 Feb 90

[Text] Vientiane, Feb 15 (KPL)—A delegation of the Ministry of Information and Culture led by its Deputy Minister Somnit Vankham, left here yesterday afternoon for a working visit to the Soviet Union.

While there, the delegation is expected to sign a protocol on the cultural and cinematographic cooperation in 1990 between Laos and the Soviet Union.

DPRK Foreign Ministry Delegation Visits

Calls on Phoun Sipaseut

BK1402055390 Vientiane Domestic Service in Lao 1200 GMT 13 Feb 90

[Text] Phoun Sipaseut, vice-chairman of the Council of Ministers and minister of foreign affairs, this morning received at the government guest hall a courtesy call from a delegation of the DPRK Foreign Ministry led by Cha Pong-chu, deputy minister of foreign affairs. The guest and the host talked with each other in a friendly atmosphere.

They particularly focused on the friendly relations between the governments and peoples of Laos and the DPRK. They also discussed certain issues aimed at further promoting and expanding these relations for the common benefit of the two peoples and in the interests of world peace.

Signs Cooperation Documents

BK1402110590 Vientiane KPL in English 0946 GMT 14 Feb 90

[Text] Vientiane, Feb 14 (KPL)—A protocol on cooperation between the Ministries of Foreign Affairs of the Lao People's Democratic Republic and the Democratic People's Republic of Korea was signed here this morning.

The signatories were Thongsavat Khaikhamphithoun, first deputy foreign minister of Laos and Cha Pong-chu, deputy foreign minister of the DPRK.

Meanwhile, Thongsavat Khaikhamphithoun and Chang Yong-chun, ambassador extraordinary and plenipotentiary of the DPRK to Laos signed a plan for 1990-91 cultural exchange between the two countries.

The two documents stipulate that the Lao side will send an artist troupe to participate in the Spring Friendship Art Festival to be held in the DPRK in April. Each will invite the other to join in its cultural and scientific seminars. The exchange of materials and films reflecting cultural, scientific and educational life in each country and of scientific and educational experts was envisaged in the documents.

The two sides will also exchange experts in acupuncture and promote archaeological and cultural cooperation.

Supreme People's Assembly Adopts Resolution

BK1202130990 Vientiane Domestic Service in Lao 1200 GMT 11 Feb 90

[Resolution adopted by third plenary session of the second Supreme People's Assembly read by Dr. Somphavan Inthavong, member of the assembly Standing Committee and chief of the Commission for Economy, Planning, and Finance; dated 11 February—recorded]

[Text] The second Supreme People's Assembly [SPA] held its third plenary session in Vientiane Capital from 9 to 11 February 1990 to discuss and endorse the socioeconomic development plan and state budget for 1990. The session heard the address by Comrade SPA Chairman Nouhak Phoumsavan; the report on the implementation of directions, duties, and tasks in the past year and the essence of new tasks for 1990 by respected Comrade Kaysone Phomvihan, general secretary of the party Central Committee and chairman of the Council of Ministers; and the presentation of the socioeconomic development plan and state budget for 1990 by Comrade Sali Vongkhamsao, vice chairman of the Council of Ministers and minister of economy, planning, and finance.

1. The session recognized that the discussion and endorsement of the socioeconomic development plan and state budget for 1990 by the SPA is a task of great and long-lasting significance in implementing the role and rights of the SPA, the highest body of the people's deputies and the highest comprehensive body of the state's power. It is the first step in the implementation of the political restructuring system in our country in order to upgrade the position and role of multiethnic people's mastery in the state management undertakings.

2. The session acclaimed the clear and definite concept in Comrade SPA Chairman Nouhak Phoumsavan's speech—manifesting the firm, unswerving, dynamic revolutionary spirit strictly adhering to the target of socialist revolution.

3. The session unanimously agreed with the contents of the report on the general situation of the implementation of duties in the past year and the duties and tasks for 1990—which is extremely important to the expansion of revolution in our country to enter the third five-year state plan, 1991 to 1995—presented by respected Comrade Kaysone Phomvihan, general secretary of the party Central Committee and chairman of the Council of Ministers.

4. The session held thorough discussions on the report on socioeconomic development plan and state budget for 1990 presented by Comrade Sali Vongkhamsao, vice chairman of the Council of Ministers and minister of economy, planning, and finance, unanimously viewing that the state budget for 1990 offers a forceful and proportionate adjustment in terms of gaps between new political requirements and material resources and places emphasis on the efforts to solve the protracted problem of serious budgetary deficit. It was unanimously agreed that attention should be paid to agricultural production and gradual settlement of difficulties concerning the state management of education and public health.

5. The session endorsed some target figures in the socioeconomic development plan and state budget for 1990 as follows:

A. Economic targets: 612.7 billion kip for gross social product, a 16 percent increase compared with 1989; 384.9 billion kip for national revenue, a 14 percent increase compared with 1989; 1.8 million tons for paddy production, a 28 percent increase compared with 1989; 15,400 hectares for cultivation of the second rice crop, a 51 percent increase compared with 1989; 837 kilowatt hours for electricity production, a 17 percent increase compared with 1989; 112 kilometers of provincial roads to be paved, a 72 percent increase compared with 1989; $135 million for export value; $275.5 million for import value, a 19 percent increase compared with 1989; 197 billion kip for value of goods for domestic distribution, a

25 percent increase compared with 1989; 14 billion kip for infrastructural construction, a 57 percent increase compared with 1989.

B. State budget's target figures: 153.6 billion kip for revenue, a 19 percent increase compared with that of 1989; 153.6 billion kip for expenditure, a 25 percent increase compared with 1989.

The session acknowledged that the 1990 plan is of extreme significance, for this year is the last year of the second five-year state plan and time for preparation for the third five-year state plan, 1991 to 1995. It is an important milestone on the path of socioeconomic expansion in our country and requires the consolidation of mental and physical energies to mobilize the country and people's potentials to fulfill the designated duties.

To ensure effective implementation of this year's plan, the SPA plenary session deems it appropriate that cadres at all levels and in all sectors have plans like those detailed plans of the administrative committees at all levels. The session calls on cadres, soldiers, policemen, and multiethnic people to be united and strive to efficiently implement the plan and state budget for 1990 to broaden the material and technical foundations of national economy and enhance self-vigilance to foil the enemy's subtle subversive schemes in a timely manner for the benefit of peace and order in the country, which includes the emulation campaigns to welcome the four historical days and also to engage in emulation campaigns to score achievements to welcome the upcoming historical events.

Vientiane, 11 February 1990
The third plenary session of the second SPA
Thank you. [applause]

Report on Rice Production in Various Provinces

BK0902082590

[Editorial Report] The following is a compilation of reports on rice production in various provinces in Laos carried by Vientiane KPL in English and Vientiane Domestic Service [VDS] in Lao during the past two weeks. Broadcast dates and times in GMT are given in parentheses at the end of each item:

Farmers in Saravane Province managed to harvest 100,200 metric tons in the past main rice production season—an increase of 38 percent compared to the harvest of the 1988 production. On the average, each person in the province has a supply of 498 kg for consumption this year. (VDS—1200 GMT, 2 February)

In Khammouane Province, the 1989 rice production reached 93,882 metric tons, thus providing 433 kg of rice for each person in this province in the coming year. (KPL English—0900 GMT, 31 January)

Farmers in Sayaboury Province in the past year reaped about 65,000 metric tons of paddy on 27,400 hectares of ricefields, making 370 kg of rice available to each citizen for consumption. (KPL English—0900 GMT, 30 January)

In Vientiane municipality, rice production in the 1989 season reached 141,943 metric tons—an increase of 13.67 percent compared to the 1988 production output, thus allowing each citizen to consume about 317 kg in 1990. (VDS—1200 GMT, 6 February)

Philippines

Aquino Reacts to Bush Statement on Cheney Visit

HK1502103990 Manila Radio Veritas in Tagalog 0900 GMT 15 Feb 90

[Passage in slantlines denotes Aquino's press statement read by Press Secretary Tomas Gomez III]

[Text] President Aquino responded to a remark by President George Bush on her refusal to receive visiting U.S. Defense Secretary Richard Cheney at Malacanang Palace. On his part, Press Secretary Tomas Gomez III commented that the brief statements by Presidents Bush and Aquino may have been misintepreted by the media, which then led to new implications.

[Begin recording in English] [Gomez] /Mr Bush and I have mutual respect for each other's personal views. I have spoken; so has he./

Let me make some additional points for myself. You know, I have read the transcripts of President Bush's statement, and it is apparent that President Bush himself is likewise concerned that the political spin doctors [as heard] in Washington, D.C. may be able to misinterpret or disinterpret the prevailing moods between these two leaders.

Therefore, let me pick out some of President Bush's remarks.

For instance: You might read NEWSDAY and think that I am upset. There is no problem. You asked me and she had given her opinion. I have a right to give mine.

Here is another one: We are backing her. She is a strong symbol of democracy there and she has our support and she knows that.

Now, I think with statements like those, nothing has been altered so far as the relationship between President Aquino and President Bush is concerned. Of course, we realize that statements coming from the United States have a tendency to be distorted, so I guess most leaders are aware of this and are guarding against it.

[Reporter] [Question indistinct]

[Gomez] Well, it is a personal expression. It is not a U.S. administration policy. Even presidents are allowed to make personal comments. As you can see in President Bush's statements, their support continues to remain strong.

[Reporter] [Question indistinct]

[Gomez] Yes, I should take it like any other statement. Afterall, even that statement has a counterpart, when President Bush also said that Cheney may learn something from talking to President Aquino. But we have to go back to the original scenario whereby there is a shortfall in the commitment that was made and there is a need to explain to the Filipino people why there is a shortfall. And that is the beginning of this situation.

[Reporter] Will there be a change of mind regarding Cheney?

[Gomez] There is no change of mind. Things remain the way they were. [end recording]

Future Talk With U.S. Defense Secretary Viewed

HK1502094790 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 15 Feb 90

[Report by Eloi Aquino]

[Text] Defense Secretary Fidel Ramos will discuss the controversial cut in U.S. aid to the Philippines during his talk with U.S. Defense Secretary Dick Cheney. Ramos told a news conference that the $141 million cut in its aid to the Philippines will affect the modernization of the country's Armed Forces. Ramos expressed the hope that there will still be a remedy to prevent the full enforcement of the reduction to the 1990 bases compensation package for the Philippines. Ramos said he will discuss with Cheney on Monday proposals from both sides on how to resolve the U.S. aid shortfall, the conversion of the still unused foreign military sales credits to grants, and the country's security situation which was also the center of talks between him and Cheney's predecessor Secretary Frank Carlucci in May 1988.

Ramos stressed that the overall agenda of the talks will focus on acquisitions, adding that while acquisitions may be classified as high priority and ordinary, the subject can not be considered routine as the security assistance package from the United States, on the whole, is very important to the Armed Forces and to the government.

[Begin Ramos recording, in English] Our reason for this is that there will be official announcements already about the reduction of the $200 million 1990 component to some $140 million, so that is why the substantial reduction is certainly not very [words indistinct] for the necessary programs of the Armed Forces of the Philippines. But I am sure that Secretary Cheney will have a formula for the fulfillment of this commitment which he would want to discuss with me.

Now, secondly, there is that item also with the Manglapus-Shultz agreement of 1988 pertaining to the conversion of $29.4 million worth of unused FMS, foreign military sales credits, from credits to grants. [end recording]

At the same time, Ramos disclosed that there are now a total of 2,100 arrested coup participants, half of whom have been placed under custodial and pre-trial investigations. It is estimated that there are still about 100-150 soldiers and officials at large and being hunted by authorities, although they have already been identified. Others were on absence without leave and are now the object of an intensified search operation by Armed Forces units supported by the Integrated National Police and intelligence community. When asked if he would really head a new coup set for 17-21 February, he denied this, saying that this is mere fabrication and disinformation aimed to mislead the public and the members of the Armed Forces.

'Bickerings,' Budget Shortages Plague Aid Plan

HK0702115190 Manila MANILA BULLETIN in English 4 Feb 90 p 25

[By Ernesto Tolentino]

[Text] Lack of budget and personnel, compounded by intra-agency bickerings, has hampered efforts to immediately implement the $10-billion Philippine Assistance Program (PAP).

The PAP is otherwise known as the Multilateral Aid Initiative (MAI), a program conceived by the United States to help the Philippine economy recover and reduce the high incidence of poverty among Filipinos.

Fears have been expressed in official circles that further delays in solving these problems which have gotten in the way of PAP might work against the Philippines' chances of maintaining the present level of pledges to the PAP.

This could likewise send a "wrong signal" to potential donors to the PAP on the present administration's "political will" to improve the country's capacity to absorb foreign assistance.

The two major problems confronting the PAP are the ineffective coordination between the major agencies involved in the program's implementation and the lack of funding for the Committee on Official Development Assistance (CODA), which took over from the NEDA [National Economic and Development Authority] the function of managing official development assistance (ODA) received annually by the Philippines from bilateral and multi-lateral sources.

Official sources said that the "lack of effective interaction" between the National Economic and Development Authority (NEDA), the administration's policy-making body, and the PAP's coordinating council chaired by Roberto T. Villanueva, for instance, have led to unnecessary "standoffs" in the finalization of concept and implementation papers on PAP-related policies and PAP-funded projects.

An example cited was the proposed $25-million grant from the United States that was supposed to finance the preparation of projects for the next PAP pledging session

this year. The first pledging session for the PAP was held last year in Tokyo and this generated $3.5 billion in pledges from donor countries and international institutions.

The sources said that while the grant had been pledged by the U.S. in July of last year, yet, "meetings and discussions between the CCPAP [Coordinating Council of the Philippine Assistance Program] and NEDA on how to effectively utilize this grant had gone on inconclusively."

CODA's lack of budget and personnel had delayed its operations by six months, losing precious time in preparing projects that would have utilized the financial pledges received from foreign donors, the sources said.

Of the $3.5 billion pledges by donors in July last year, over $2 billion have so far been converted into "firm commitments" but the Philippines could not tap proceeds of the assistance on account of the slow finalization of projects lined up for PAP funding.

Column Cautions on Aid Cut, Bases Termination

HK0702031590 Manila PHILIPPINES NEWSDAY in English 7 Feb 90 p 10

["Turn of Events" column by Francisco S. Tatad: "Getting Even With Washington"]

[Text] The administration complains that U.S. aid has been unilaterally cut and compliance with certain commitments under the 1988 Manglapus-Shultz agreement delayed without good reason. Anti-bases stalwarts in Congress want President Aquino to cancel the RP [Republic of the Philippines]-U.S. bases talks this summer and serve the U.S. notice of termination of the military bases agreement which expires, according to the Constitution, in 1991. Foreign Secretary Manglapus warns in a diplomatic note that the government might indeed scrap the talks if commitments were not made good before then.

This is the time Washington should be trembling. But that is not happening. U.S. Defense Secretary Richard Cheney will be in Manila next week, but he is coming not to discuss aid cuts or undelivered U.S. commitments, but to meet with Defense Secretary Fidel Ramos, pursuant to an exchange program between their two Defense Departments. Despite statements conveyed by emissaries like Robert Gates, President Bush's deputy national security adviser who came to reassure Mrs. Aquino last month, or by official spokesmen in Washington who never stop reassuring her, no substantial economic or military support has come from the U.S. since its two F-4 U.S. Phantom jets prevented the government from falling into rebel hands last December.

Prompted by politicians and the media, Mrs. Aquino says she will serve notice of termination to the U.S. in September. In the absence of an exact date of expiration of the bases agreement—the Constitution merely says "1991"—she seems to believe she should serve notice of termination one year before September 1991. But not even that has produced the desired reaction.

The promised aid under the Manglapus-Shultz accord remains cut by at least $96 million, and there is no word it would be restored this year. Not to mention the $40-million cut on the $200-million promised U.S. contribution to the Philippine Assistance Program; the delayed deliveries of military equipment including helicopters; the inability to fulfill a promised waiver of U.S. regulations to allow American forces in the Pacific to buy some $80 million worth of goods annually from the Philippines; the failure to allocate funds for the improved security of the bases, squatters resettlement, development assistance, food aid, etc., worth about $100 million.

Threats and warnings are not without their uses in political discourse. But as a rule, a small and weak government should try not to threaten anyone, especially a much more powerful government, if there is no prior guarantee it would be taken seriously at all. The Aquino government has every reason, perhaps even right, to feel it is getting the short end of the deal, but unless it is in a position to make good its threats it has no business threatening the U.S. at all. Individual private critics may be excused for frothing at the mouth and having fits of anger when talking about the lopsided deal; but official spokesmen do not have the same privilege. They should always reflect the government's realistic view of its own political capability or will.

There are now two proposals on the table. First, scrap the exploratory talks this summer; second, serve notice of termination on the U.S. now. One is part of the other, and both are written with an exclamation point at the end of the sentence, to show intensity of passion. How do you think the U.S. would react, were the administration to adopt the proposals?

I do not believe the U.S. would mind a notice of termination, provided it is a prelude to negotiating a new bases agreement. But it would most certainly reject such notice if it means closing down the U.S. military facilities, without any guarantee of a new agreement replacing the outgoing one. And that is guaranteed to produce a first-class disorder. Not necessarily because the government does not have enough Phantom jets to enforce its Constitution, but because, regardless of what the Constitution says, it remains bound to the 1947 agreement, as amended, which says: "Unless terminated earlier by mutual agreement of the two governments, this Agreement and agreed revisions thereof shall remain in force for a period of 25 years from September 16, 1966 after which, unless extended for a period by mutual agreement, it shall become subject to termination upon one year's notice by either government."

As far as the government is concerned, that provision may have been superseded by the Constitution which

says the agreement expires "in 1991." But the Constitution does not necessarily bind Washington. If the U.S. insists that, in keeping with the text of the agreement, either party can serve notice of termination only after September 16, 1991. Mrs. Aquino will need something stronger than the Constitution to persuade the U.S. that the agreement expires in 1991, and that notice of termination may be served this September or—as Senator Shahani or Congressman Andolana puts it—even now.

Estanislao Comments on Unfriendly Banks

HK0702125390 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 7 Feb 90

[Report by Vic Pambuan]

[Text] Finance Secretary Jesus Estanislao stated that it is not just the United States Government which has been showing a cool attitude toward the Philippines, but also U.S. banks.

In an interview with Estanislao after a Cabinet meeting in Malacanang, he said that because of this, the Philippine Government should not ignore these banks, adding that the banks which have maintained good relations, especially in dealing with loan applications by the country, will be treated nicely, but those which are not supportive would have their long-term relations with the government affected.

Secretary Estanislao claimed that some banks, like the Bank of Tokyo, are determined to help in the country's application for new loans. This kind of support, Estanislao stressed, will mean positive grants of benefits by the government and will be given due priority in their plans to invest in the country.

Estanislao also clarified that his letter of protest, sent to the U.S. embassy over the U.S's abstention from voting on the $390 million Philippines loan program, had President Aquino's approval. He added that any move by the government to acknowledge the banks' support to the country's economic programs is a show of concern for national interest. Here is the statement by Finance Secretary Jesus Estanislao:

[Begin recording in English] [Estanislao] Looking at our national interest now, are there others who do not support us, then we will take that into consideration. And I can say this also with the creditor banks. As you know, we are trying to increase the amount of new money for the Philippines and we made it very clear to the co-chairman of the advisory committee who came yesterday, Bank of Tokyo, that we will deal with those banks that are fully supportive of the Philippines in a very positive way, administratively. Well, those that do not want to give support to the Philippines at this time, we will consider them as not very friendly, and therefore, their long-term business relationship with the Philippines would be taken in the light of their behavior.

[Reporter] [Question indistinct]

[Estanislao] No. I can say that, for example, the Bank of Tokyo has been very supportive and most of the Japanese city banks have been supportive, but there have been some American banks that are not coming in to support the Philippine package, so we will test their decision to have long-term business relationships with the Philippines on a basis of the support that they give to the package. [end recording]

Fujian Delegation Offers Electrification Loan

HK0702063590 Quezon City Radyo ng Bayan in Tagalog 0600 GMT 7 Feb 90

[Text] A five-man Chinese delegation has offered a 180 million pesos financial assistance to the National Electrification Administration or NEA. The delegation which is currently in the country for a 12-day business mission met with NEA administrator Rodrigo Cabrera today to formally discuss the aid package.

(Yan Yashi), chairman of the Fujian Investments and Enterprise Corporation, stated that they were prepared to supply loans for purchase of substation equipments which can be used by rural electric cooperatives in the country. The loans will be payable in two years at an annual interest rate of 12 percent.

$700 Million Loan Accord Signed With France

HK0902095990 Manila Radio Veriatas in Tagalog 0900 GMT 9 Feb 90

[Text] Finance Secretary Jesus Estanislao and French Treasury Deputy Director Xavier Blandin signed a loan agreement which is intended to finance transportation and communication projects in the country. The $700 million loan extended by France will be used to construct a new domestic airport, transform the Ninoy Aquino International Airport, purchase rescue vehicles, and finance the modernization of the People's Television 4.

[Begin Estanislao recording in English—in progress] ...essential for efficiency and dynamic growth of the Philippine economy. On behalf of the Philippine Government, I would like to express our deep appreciation to the government of the Republic of France for the strong support extended, as manifested by the conclusion of these agreements. We look forward to sustaining this partnership with the French Government in the coming years. [end recording]

Malacanang, Commission Favor Early Local Polls

HK0802095390 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 8 Feb 90

[Text] Malacanang Palace and the Commission on Elections [Comelec] favor holding local elections six months ahead of the national elections.

In a hearing by the Senate Committee on Constitutional Amendments and Revision of Laws, Comelec chairman

Haydee Yorac and Assistant Executive Secretary Mariano Sarmiento said no Consitutional law will be violated in holding local elections in January 1992 and the national elections in May 1992. However, University of the Philippines Professor Perfecto Fernandez warned that if the elections are held in 1992, the Philippine Government may not do well in its negotiation with the U.S. Government regarding the bases agreement, because the administration would then be very preoccupied with the election issue:

[Begin Fernandez recording in English] Because, if we seek to hold elections in 1992, and at the same time we would be negotiating, let us say, the terms of a new bases agreeement between 1991 and 1992, then we might not be able to do well, either in the elections or the negotiations. In other words, there would be tremendous distraction from both objectives or both activities. And the result then would be to create problems that could be damaging to the national interest. [end recording]

In this regard, Fernandez proposed a postponement of the national and local elections to 1992 [year as heard]. Comelec chairman Haydee Yorac, meanwhile said that it is favorable to them if the local elections are held earlier, in January 1992, and the national elections in May 1992.

[Begin Yorac recording in English] The holding of local elections ahead of the national elections is the only way to prepare the two elections without having to amend the Constitution. [end recording]

Senator Names Panel for Charter Review

HK1202062890 Manila PHILIPPINE DAILY GLOBE in English 12 Feb 90 pp 1, 7

[By B. Fernandez and J. Fortuna]

[Text] Senate President Jovito Salonga has created a special committee that would study a proposal by several congressmen to shift from a presidential to a parliamentary form of government.

Salonga formed the committee, to be composed of five members who are either heads of political parties and independents in the chamber, after Malacanang publicly endorsed consideration of the proposal.

Members of the committee were Senate Majority Leader Teofisto Guingona Jr., and Senators Aquilino Pimentel Jr., Neptali Gonzales and Sotero Laurel. Sen. Jose Lina, chairman of the Senate committee on constitutional amendments and revision of laws, was designated ex-officio member.

The House of Representatives had earlier formed its own five-man panel which would meet with its Senate counterpart.

Lina said that formal committee deliberations on the House proposal will be held in abeyance pending the result of the study to be done by the newly formed committee.

He said he was "open to the idea" of returning to the parliamentary form of government but insisted that it should be done after 1992 so as not to "upset the present structure."

Government operations would be faster under a parliamentary system because "there is a fusion between the Executive branch and the legislature," Lina said." It (parliamentary form) is more attuned to our society," he added.

He echoed however the apprehensions raised by his colleagues that "any change in the present political structure at this time will upset the Senate's stand on several vital issues."

Speaker Ramon Mitra, one of the principal proponents of the shift to a parliamentary form of government, last week said that Malacanang was "willing to join" a congressional study on the House proposal.

Mitra said President Aquino welcomed the plan and urged both chambers to discuss the issue.

Rep. Hermogenes Concepcion of Nueva Ecija, Lina's counterpart in the House of Representatives, had proposed the immediate shift to a parliamentary form of government as an alternative to advanced national elections. Under his proposal, all incumbent national officials, starting with the President and the Vice President, would automatically become members of parliament, and they would choose among themselves who would be the prime minister.

In response, Lina said that the Senate would agree to the proposal, provided it takes effect after the 1992 national elections.

Meanwhile, military rebels have demanded amnesty for all "political offenders" as a condition for holding a snap presidential election.

This demand was one of three contained in a two-page statement sent to the GLOBE yesterday. The statement was based on an open letter dated January 27 and signed by Brig. Gen. Eduardo Abenina, who is now detained.

The statement said that the Reform the AFP [Armed Forces of the Philippines] Movement (RAM) also demands the resignation of President Aquino, Vice President Salvador Laurel and the entire Cabinet.

After that, Congress should be convened as a constituent assembly to draft a new constitution, the statement said.

During the transition, the Chief Justice of the Supreme Court should be designated as the government caretaker.

Legislators To Propose Constitutional Amendment

HK1402044590 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 14 Feb 90

[Text] Legislators will push through with a proposed amendment of certain provisions in the Constitution. Despite Aquino's negative advise, members of the House special committee will meet with their counterparts in the Senate for this purpose. They will discuss the creation of a constituent assembly to amend the Constitution.

Congressman Hermogenes Concepcion, chairman of the committee, said that there is now a need to change the government system to a parliamentary one because, according to him, this is the solution to our many problems.

Congressman Opposes Counterintelligence Unit

HK0502103390 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 5 Feb 90

[By Dick Sinchongco of DZRH Mobile Unit 6]

[Text] A plan to create a 150-strong counterespionage unit within the Armed Forces of the Philippines [AFP] headquarters to spy on Reform the Armed Forces Movement [RAM] infiltrators will worsen the divisions within the military. Sorsogon Congressman Bonifacio Gillego claimed that a counterintelligence command could become a source of chaos within the military establishment.

Gillego, a former AFP intelligence officer, has this to say:

[Begin recording in English] The expansion of intelligence agencies—as I have previously pointed out—requires a large appropriation. However, we cannot rely completely on the intelligence service itself, because there are many RAM sympathizers in the service. Perhaps the intelligence system is corrupted by way of disinformation, misinformation, or the withholding of information from the so-called consumers of intelligence—the president or RAM itself as a consumer of intelligence. [end recording]

The AFP leadership decided to form the counterintelligence network as a defense against infiltration following its failure to detect rebel movements in the December coup attempt.

Constabulary Commander Sacked in Logging Scandal

HK0702104590 Manila PHILIPPINE DAILY GLOBE in English 7 Feb 90 p 6

[By staff writer Arnold S. Garcia]

[Text] Nueva Vizcaya Congressman Carlos Padilla said yesterday that the PC [Philippine Constabulary] commander in his province, Col. Renato Aguda, has been sacked for involvement in illegal logging.

In a press statement, Padilla said PC-INP [Integrated National Police] chief Maj. Gen. Ramon Montano relieved Aguda on the recommendation of Defense Secretary Fidel Ramos.

Padilla said Montano's order for relief also included an investigation of charges that Aguda was the "brains" of illegal logging in Nueva Vizcaya.

He said Aguda was also responsible for the removal from office of two town mayors whom the PC officer charged with illegal logging. He said the two mayors were really campaigning against the denudation of forests by soldiers and other local government officials, but Aguda turned the tables on them.

The congressman alleged that two policemen were coerced by Aguda into testifying against the two mayors, but they recanted their testimonies later.

Lt. Col. German Zaldivar has been appointed temporary provincial commander until a new one is appointed by the PC brass, Padilla said.

Col. Cris Maralit, PC spokesman, said last night, however, that he knew nothing yet of the sacking. A soldier on duty at the office of Montano also said that as of their latest roster, Aguda was still the provincial commander.

In a related development, the Court of Appeals reversed recently two separate decisions of lower courts stopping the Department of Environment and Natural Resources [DENR] from suspending licenses of timber concessionaires who violate logging laws.

The DENR had suspended the license of Sta. Ines Melale Corp. last December for noncompliance with reforestation rules, and revoked the license of Pristine Wood Industries Corp. last May after its timber production sharing agreement with the DENR expired.

The two firms filed separate petitions with the Makati and Pasig regional trial courts, respectively, questioning the DENR authority to suspend or revoke timber license agreements. The courts ruled in their favor.

But the Office of the Solicitor General, in behalf of the DENR, elevated the case to the Court of Appeals and got a reversal. Secretary Fulgencio Factoran said the decision greatly boosts the government's drive against illegal logging.

De Villa Visits Bataan Army Battalions

HK0802121290 Quezon City Sports Radio 738 in English 1100 GMT 8 Feb 90

[Text] Armed Forces Chief of Staff General Renato de Villa said there are indications that the New People's Army [NPA] and the Moro Islamic Liberation Front are losing ground. This report from Jing Tesoro.

[Begin recording] In a statement made during a visit to the 702d Infantry Brigade in Bataan, the general said the government is winning and there is much improvement

in the peace and order situation in the country. De Villa also visited the 24th and the 68th Infantry Battalions in the area.

Commander of the 702d Infantry Brigade, Colonel Rene Dado, the new battalion commanders Major Jovito Balbaran of the 24th and Major Juanito Gomez of the 68th, and the troops assured De Villa that they are behind the Armed Forces and the government. [end recording]

De Villa Claims NPA Force Down to 19,000

HK1002081990 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 10 Feb 90

[Text] New People's Army [NPA] force was cut down by almost 6,000 men this year because of the military's intensified counterinsurgency campaign. This was stated by Armed Forces chief of staff General Renato de Villa who also said that the NPA now has only 19,000 guerrilas, a decrease from its previous total of 25,000 men.

De Villa's announcement coincided with a report from Central Luzon military commanders that two suspects in the 1987 killing of three servicemen have been recaptued after they earlier escaped from detention.

De Villa stressed that the military was winning the war against the Communists not only in some places, but all over the country. He had just arrived from Mindanao where he inspected the military's overall offensive against communist rebels there. So far, 139 rebels have been killed in the military operation covering the provinces of Misamis Oriental, Agusan del Sur, Zamboanga del Sur and Zamboanga del Norte.

Military Approves Disbandment of Scout Rangers

HK0902023190 Manila Far East Broadcasting Company in Tagalog 2300 GMT 8 Feb 90

[Text] The military high command has approved the disbandment of the 300-man 1st Scout Ranger Regiment, the elite army unit which took part in the aborted December coup attempt. Army chief Major General Manuel Cacanando announced that the disbandment was approved by AFP [Armed Forces of the Philippines] Chief of Staff General Renato de Villa last month.

Members of the disbanded scout ranger unit will be incorporated into eight army divisions which will produce four more infantry battalions. Cacanando stressed that members of the scout ranger regiment have become too politicized and dangerous and could be used by forces seeking to overthrow the democratic system in the Philippines.

Communist Rebel Attack in Tarlac Said Foiled

HK0702122790 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 7 Feb 90

[Text] New People's Army [NPA] rebels failed in an attempt to attack the Philippine Constabulary [PC] detachment in Tarlac Province. The full report from Rey Rodriguez.

[Begin recording] This was contained in a report reaching the PC-INP [Integrated National Police] headquarters in Camp Crame from Recom [Regional Command] 3 this morning. According to the report, elements of the PC-CAFGU [Citizens' Armed Forces Geographical Units] detachments based in [words indistinct] headed by Staff Sergeant Mendoza were conducting a clearing operation last Friday outside the vicinity when they encountered some 30 heavily-armed NPA rebels. Government troops are continuing to monitor the activities of the NPA band believed to be planning a major offensive action any time now. [end recording]

Top NPA Leader Said Captured in Mindanao

HK0802044190 Manila MANILA BULLETIN in English 8 Feb 90 p 16

[By Mike Crismundo]

[Text] Butuan City—A top political officer of the Northeastern Mindanao Commission (NEMC) of the New People's Army (NPA) was captured last Saturday morning by troopers of the 411th PC [Philippine Constabulary] Company in a raid on his house in the outskirts of barangay Lemon, eight kilometers from here, a PC report said yesterday.

Lt. Col. Dominador Domingo, Agusan del Norte PC-INP [Integrated National Police] commander, identified the suspect as Emelito Lerin, 27 of Caloocan Magallanes town. Also captured was his companion, Eutropio Boligor.

In a briefing for Brig. Gen. Triunfo Agustin, 10th Northern Mindanao PC-INP chief, at Camp Rafael Rodriguez here last Saturday afternoon, Domingo said a carbine rifle, a telescope, a .38 caliber revolver, a list of Philippine Military Academy (PMA) officials linked to illegal logging in Agusan, ammunition, and anti-government materials were seized from Lerin's house.

Clash Along Zamboanga, Misamis Border Reported

HK0702121190 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 7 Feb 90

[Text] Sixty-seven communist rebels were killed in three days of fighting with government troops along the boundary of Misamis Occidental, Zamboanga del Sur and Zamboanga Norte from 3 to 5 February. Southern Command spokesman Major Hermogenes Esperon told PBS [Philippine Broadcasting Service]-Radyo ng Bayan Zamboanga this morning that some 400 Army troopers and members of the Citizens' Army Auxiliary took part

in the offensive operation against some 100 New People's Army rebels who had gathered for a plenum held along the boundary area near the towns of Bonifacio, Zamboanga del Norte, Tangub, Misamis Occidental, and Molave, Alunan, Zamboanga del Sur.

On the government side, eight men were killed, nine wounded, and one missing. Killed were Private First Class [PFC] Alan Danok, PFC Danilo Dalise, PFC Joel Montero, PFC Cesar Centeno, and PFC Ronald Peno, all belonging to the 55th Infantry Battalion. Other slain victims were Jerry Aclao, Nestor Cedeno and Jojo Lisandro, all members of the paramilitary troops. Missing was one Jaison.

NPA Planning To Intensify Terrorism Campaign

HK0602131590 Manila Radio Veritas in Tagalog 0900 GMT 6 Feb 90

[By Jonathan Cristobal]

[Text] New People's Army [NPA] rebels will intensify their campaign to sow terror and violence around the country. This is to take advantage of the tension that resulted from the 1 December coup attempt. This was today confirmed at Radio Veritas by a high-ranking military intelligence official, who requested anonymity.

Based on an intelligence report, the official said that the NPA is presently training snipers to teach them to shoot mobile and stationary government troops. These snipers are now reportedly organized and deployed in some critical places. The official explained that the Communist Party of the Philippines [CPP]-NPA plan was contained in a directive by CPP Chairman Jose Maria Sison to Benito Tiamzon, a top CPP Politburo official. The directive was among the documents confiscated from Wilma Austria Samson, wife of Benito Tiamzon, when she was captured by the military. The source claimed that the NPA is also expected to carry out robberies so that they can reach their revolutionary taxes quota. Topping the CPP-NPA program are the propaganda campaign, mass actions, recruitment, indoctrination, consolidation of resources, and strengthening its forces.

According to the official, the communist movement originally set an 11-month military campaign plan to counter the military's successful counterinsurgency campaign. This plan is allegedly in its second phase of implementation and will end on the last day of March.

The source also said that the third phase, which will last from April to June, is expected to be more ruthless, as it will involve stronger attacks against the military and the Citizen Armed Forces Geographical Units.

Official Admits NPA Return to Davao City

HK0602133790 Manila Radio Veritas in Tagalog 1300 GMT 6 Feb 90

[Text] Davao Metropolitan District Command [Metrodiscom] chief Colonel Franco Calida admits that the New People's Army [NPA] has returned to Davao City. It will be recalled that the communist movement was chased out of Davao through the intensified operations of anticommunist vigilante groups. However, Calida believes that NPA forces in Davao will be stopped because of lack of financial support and intensified military operations.

Military Reportedly Captures Major NPA Camp

HK0802044790 Manila PHILIPPINE DAILY GLOBE in English 8 Feb 90 p 7

[By correspondent Richie Salloman]

[Text] Cagayan de Oro City—Government forces finally overran a well-entrenched rebel stronghold and training site in Balingasag, Misamis Oriental but suffered heavy casualties in six days of heavy fighting, military authorities said yesterday.

Rebel holdouts continued to resist government troops advancing into the rebel stronghold in Barangay Lantad, about 60 kilometers east of this city, last night.

Reports reaching the Army's 4th Infantry Division here said that at least 11 soldiers, including five militiamen, were wounded, some seriously. One soldier was also killed and another went missing as government forces backed by three helicopter gunships assaulted rebel positions.

Col Rogelio Navarro, chief of the Army's civil-military operations, quoting reports from Col Cristino Piol, commander of the 403rd Brigade, identified the slain Army trooper as Pfc Antonio Rafaila, and the wounded soldiers as Cpl Manuel Macan, Pfc Luisito Olais, Pfc Gerry Martinez, Cpl Rolando Ometer, a certain Sgt Gutiano, and Pfc Pandulan.

The wounded militiamen were Nelson Salas, Generoso Naspairo, Vicente Cogmat, Antonio Pagaran, and a CAFGU [Citizens Armed Forces Geographical Unit] identified only as Daguyon. The missing trooper was identified as Pfc Pedro Saferal. The government troops were members of the Army's 9th Infantry Battalion based in Claveria town.

Navarros said that the government troops were dispatched Friday last week on a clearing mission in the wake of reports that NPA [New People's Army] rebels had established a communist revolutionary government in the area.

He said that the troopers were fired upon by the rebels before they could reach the barangay. A company of Army soldiers who were providing tactical ground support were encircled by the rebels and showered with a heavy volume of automatic gunfire.

Three helicopter gunships provided air support but failed to rescue the wounded due to heavy firing from the rebels.

Navarro said that two of the gunships were hit by the NPA fire but suffered minor damage. Two T-28 (Tora-Tora) planes from the Composite Air Squadron Action Force (CASAF) also fired air-to-ground rocket launchers as sporadic firing continued in the area.

An unconfirmed report said that the wife of the rebel-installed mayor under the communist revolutionary government was killed after being hit in a crossfire. The identity of the victim was not immediately known.

Five Rebel Death Squad Leaders Said Captured

HK0802045590 Manila PHILIPPINE DAILY INQUIRER in English 8 Feb 90 p 8

[By Anselmo Roque]

[Text] Cabanatuan City—The military yesterday announced the capture of five leaders of the Alex Boncayao Brigade [ABB], a communist death squad responsible for the killing of at least 28 persons, including two police chiefs in Metro Manila.

Col. Ferdinand Lagman, Nueva Ecija Constabulary commander, said the suspected communist assassins were arrested while on a mission to kill top provincial officials, Constabulary officers and Central Luzon State University [CLSU] executives.

Captured were Alexander Gasgas, alias Ka [Comrade] Rodel, alleged commander of the ABB in Manila; Peter Capistrano, alias Felipe Capistrano, an ABB district commander in Manila; Manuel Jovillo, alias Ka Awel, a Sparrow team leader in Cabanatuan City; Efren Pascual, alias Ka Eddie; and Roberto Cielo.

The five suspected communist gunmen were arrested in Nueva Ecija and Metro Manila by a team composed of Capt. Brigido Untan, Capt. Vladimir Cahulugan, Lt. Ronald Estiles and Sgt. Demetrio Malumay, all of the 182d PC [Philippine Constabulary] Company.

According to a PC report, the first to be captured was Capistrano. He was arrested at the CLSU in Munoz, Nueva Ecija, on Jan. 27. He was reportedly working in the grape project of the state university since July 1, 1989.

Capistrano said he and his comrades were using the state university as a hideout and rest and recreation place while waiting for instructions from communist leader Sotero Llamas, alias Ka Nognog who carries a P500,000 reward on his head.

Gasgas was arrested in a squatters area near the PNR [Philippine National Railways] station in Bicutan, Metro Manila by a team led by Capt. Untan. A .45 cal. automatic was found in his possession.

Jovillo was arrested in Cabanatuan City while Pascual and Cielo were captured in Baluarte, Gapan, Nueva Ecija.

Lagman said the five suspects confessed they were responsible for the liquidation of Col. Herminio Taylo, Makati police chief, and Col. Jose Balbas, Parañaque police chief.

The suspects also admitted killing eight persons in Nueva Ecija, including two policemen and a businessman in Santa Rosa town.

They also confessed to the killing of 10 military and police officers in Metro Manila, and 10 other civilians.

Included in the list marked for liquidation were acting Nueva Ecija Gov. Narciso Nario, acting Vice Gov. Tommy Joson, Cabanatuan City Mayor Honorato Perez, Vice Mayor Danding Joson, Colonel Lagman, and certain officials of the state university which were not identified.

Agriculture Official Cites Drought Damage

HK0802120890 Quezon City GMA 7 Radio-Television Arts Network in Tagalog 1030 GMT 8 Feb 90

[From the "GMA News" program]

[Text] The department of agriculture reported today that the current drought in the country has damaged 74,660 hectares of land and affected more than 200,000 ha of farmland. Agriculture Undersecretary Apolonio Bautista stated that the drought has also resulted in damage to 173,000 metric tons of rice and 160,770 metric tons of corn.

According to Bautista, cloud feeding operations have been stepped up in Central Luzon to combat the drought. It is also learned that President Aquino has approved the release of 26 million pesos to Western Visayas and 10 million pesos to Central Luzon from the Calamity Fund.

New Debt Buy Back Scheme Planned for Creditors

HK0902040390 Manila Far East Broadcasting Company in English 2300 GMT 8 Feb 90

[Text] The Philippines will offer a new debt buy back scheme to commercial creditors, and could retire up to 3 billion dollars debts over the next three years. Central Bank Governor Jose Fernandez said: Manila, rocked by a coup attempt in December, was having difficulty getting new commercial loans from overseas banks and criticized free riders who refuse to put up new money.

Fernandez said the government was working 24 hours a day on that, calling our friends and non-friends to try to win backing for the new money offer which will be signed in Tokyo on February 16. Failure by foreign commercial banks to support the new loans could affect their future business with the Philippines, according to Finance Secretary Jesus Estanislao.

Fernandez declined to spell out what action the government might take. He said the Philippines has sufficient financial commitments and agreements from official creditors to

retire a further 3 billion dollars in debt principal or servicing commitments over the next three years.

The Philippines which had total foreign debt outstanding at 26.87 billion dollars as of last September retired 1.3 billion in commercial debts last month.

EPZA Posts P80 Million Investments in Jan

HK0802050790 Manila BUSINESS STAR in English 8 Feb 90 pp 1, 3

[Text] Investments in the country's export processing zones (EPZs) show early signs of growth as five companies with combined project costs of P80.268 million registered with the Export Processing Zone Authority (EPZA) during the first month of this year.

In the same period, EPZA also approved three other projects worth P84.794 million and received applications from another two companies with investments of P113.69 million.

EPZA Administrator Ramon J. Farolan said the positive showing in the investments sector during the period should put the Authority's operations this year on the right track as it seeks to surpass last year's record performance of P2.046 billion in new investments.

He said prospects of investments improving further in the next few months are particularly good given the encouraging response being shown by local and foreign investors despite the negative effects of the failed December coup.

"Barring unforeseen developments in the economic front both here and abroad, we expect to register at least 39 companies this year," Farolan added.

The latest and biggest investor during the period was Trigger Company (Phils.) (TCP) Inc., which sunk in P27.003 million from its project at the Mactan Export Processing Zone.

A Japanese-owned company, TCP manufactures high quality cemented carbide-tipped saws, the first activity of such kind to register in the zone.

Four other projects registered during the period were:

—Unix Manila, Inc., a Japanese company which invested P20,000 million for its micro-computers manufacturing venture at the Cavite EPZ; [CEPZ]

—TOEI Corporation, a Japanese company which poured in P14 million to manufacture bed covers, blankets, pillows, bed pads, cushion, table cloths and sleeping bags at the CEPZ.

—Manila Mouawad Lapidary, Inc., a New Zealander-Filipino joint venture which will manufacture art objects, decorative furniture, table tops and jewelry bones. The company put in P13.752 million to finance its project at the CEPZ; and

—Ameropine Mineral Extractor Corporation, an American-Filipino joint venture which invested P5.513 million for its chronic acid extracting project at the Bataan EPZ.

Among the approved projects, the biggest amount came from Justpark Asian Corporation Corp., a Filipino-Japanese venture which pumped in P59.092 million for its pre-fabricated steel frames and galvanized steel sheets projects at the Cavite EPZ.

The two other projects were: Sentoh Denshi Industrial Corp., a Japanese-Filipino company putting in P15.702 million to manufacture speakers; and Team Tower Inc., a Korean garments manufacturer investing P10 million.

Japanese nationals who led the list of investors last year, accounted for P61.003 million of the new investments, the biggest during the period. They were followed by Filipino investors who sunk in P8.0185 million.

Other nationals who invested during i.e. period were Americans, New Zealanders, Koreans and Lebanese.

Thailand

Newspaper Closed Over Report on Saudi Murders

BK1502035790 Bangkok THE NATION in English 15 Feb 90 p 1

[Text] Police yesterday indefinitely closed a Thai-language daily, NAEW NA, for what they charged was "irresponsible" coverage of the recent murder of three Saudi embassy officials in Bangkok.

The police cited a headline and report in the paper last week that said police were planning to arrest four Saudi diplomats in Bangkok for involvement in the murder.

The order to close the newspaper was signed by Police Director General Pol Gen [Police General] Sawaeng Thirasawat, exercising his power under Decree No 42, an order introduced by the military government in 1976 to muzzle the press.

The order was announced hours after Prime Minister Chatchai Chunhawan took to task Thai-language papers from sensational reporting. He criticitized NAEW NA, though without mentioning its name, for its headline on the Saudi murder case.

It was the first daily to be closed since the Chatchai government came to power in August 1988.

An informed source in the Police Department said Chatchai endorsed the closure order after being told by Deputy Foreign Minister Praphat Limpaphan that Saudi authorities were offended by NAEW NA's reporting.

Praphat had just returned from a trip to Saudi Arabia made to repair damage to ties caused by the murders.

Under a banner headline reading: "Saudi diplomats to be arrested for murdering countrymen," NAEW NA ran

an unattributed report in its Feb 8 edition stating that Thai police suspected four diplomats at the Saudi Embassy in Bangkok of masterminding the killing of the embassy officials. It said the police had already sought the arrest of one of the suspects.

Police said NAEW NA had been served formal warnings twice before for sensational headlines.

Sawaeng said in the order that the paper's reporting in that particular edition was irresponsible and served only its own commercial interest, "without taking into consideration the interest of the country."

He added that it could damage good relations between Thailand and Saudi Arabia.

One of the paper's editorial staff said yesterday the management was trying to acquire a new licence. The newspaper, under a new name but with the same managment and editorial staff, may be back on the street in the next few days, he said.

Chatchai Asks Chawalit To Mediate Port Strike

BK1502023190 Bangkok THE NATION in English 15 Feb 90 p 1

[Excerpt] Prime Minister Chatchai Chunhawan said yesterday he had asked army chief Gen [General] Chawalit Yongchaiyut to intervene to end the Bangkok port workers' strike early this month.

Chatchai criticized the press for suggesting that Chawalit was behind the four-day strike, which effectively crippled activities at the country's largest commercial port.

It was the first time that the prime minister admitted asking Chawalit to help settle the dispute.

"You people (the press) tend to blow things out of proportion... I wouldn't mind if it was true. But it wasn't," he said, referring to wide-spread press speculation that Chawalit masterminded the strike to create a crisis within the government.

The prime minister said he had requested Chawalit to help negotiate with the striking workers in the army chief's capacity as director of the Bangkok Security Command, a powerful military unit set up following the abortive coup of 1981. The army chief is ex-officio commander of the unit.

A reliable source said Chatchai, who is concurrently defence minister, issued an order in writing to Chawalit to disperse the strike.

Workers at Khlong Toei port went on strike between Jan 30 and Feb 2 to protest a government plan to allow the private sector to run two wharves at Laem Chabang deep-sea port.

They agreed to end the strike pending further negotiations with the government after a meeting with Chawalit. [passage omitted]

Chawalit Reaffirms Support for Government

BK0902023790 Bangkok BANGKOK POST in English 9 Feb 90 pp 1, 3

[Text] Armed Forces chief Gen Chawalit Yongchaiyut yesterday reaffirmed the military's support for the Government but urged it to reject rumours that soldiers were behind political manoeuvring to topple the administration.

Gen Chawalit's statement came in the wake of the Opposition's claim that "a powerful group" was behind the current spate of labour protests and strikes and would pressure the Government to either resign or dissolve Parliament soon.

"The present government is the best we've ever had," Gen Chawalit said. "It is because of this that I have assured the Government that it will always receive the military's firm support."

Solidarity Party deputy leader Piyanat Watcharaphon said on Wednesday that the power group would force a political deadlock on the Government through more protests and strikes, leaving Prime Minister Chatchai Chunhawan with no choice except to resign or dissolve Parliament.

Mr Piyanat, however, did not identify the group. "It is not necessary to say who the power group behind the strikes is," he said.

Gen Chawalit urged that the Government remain unshaken by hearsay.

He said the Government should refrain from being "credulous". The Government, he added, must stop listening to rumours that the military "pulled the strings and gave approval to others to create unrest", and thus must step in "to solve the problems it had created".

"It is these rumour mongers that will bring the country to its doom," Gen Chawalit said.

Giving a lecture on "Universities and the Green Northeast Project" to a group of Sukhothai Thammathirat University's lecturers and students, Gen Chawalit devoted a considerable period of time to political topics.

He said politics was the heart of administration, and should be played with cleanliness, fairness and dignity.

Gen Chawalit said he had told persons close to him—including the Prime Minister, some Cabinet members and his friends—of the military's appreciation of the Government's attempts to solve various national problems.

He said he had urged the Government to stop listening to rumours and go ahead with such major development projects as the skytrain and the second state expressway so that the long-standing problem of traffic congestion could be solved.

He called on critics to stop making comments about the Government's performance and instead help it in its work.

"As for the Prime Minister, I can frankly say he can do the job because I have known him for more than 10 years," Gen Chawalit said.

Commenting on widespread speculation that he will enter politics after his retirement, Gen Chawalit said that until now he had not thought about the issue.

"Taking up a political career, for me, is not a personal matter. I think about it as a matter that involves the public interest.

"I've never contemplated a plan about what I will do next. I only try to do what I am doing at my best," he said.

He said he always had a firm belief that it was the system and not bad administrators which caused the country's problems.

He cited the present attempts by the Expressways and Rapid Transit Authority of Thailand to increase the expressway toll fee by another 10 baht to finance the construction of the second stage.

"People will soon be forced to pay the extra 10 baht for a road which has not been constructed," he said.

Bangkok's one-way system, which was constantly changed, was another example of the Thai style of finding a suitable method to solve a problem, he said.

He said several people had commented that to solve the country's problems one must direct one's attention to individuals, the education system, land reform and so forth.

"I say that whatever they may try, they will never succeed if they do not direct their attention to a single and most important system by which the majority will benefit. But I will not tell you what that system is, or else there will be no fun left," Gen Chawalit said.

Article Discusses Problems Facing Chatchai

BK1202023790 Bangkok THE NATION in English 12 Feb 90 p 8

[Article by Suthichai Yun, THE NATION editor, under the rubric "Thai Talk" and headlined "Neither Half-Truths Nor Half-Lies"]

[Text] It's always a herculean task to pin down Prime Minister Chatchai Chunhawan. But while it's (relatively) safe to say that he never (deliberately) lies to reporters, he may be convinced that as a politician, he has the privilege of making half a statement at a time. No, not half-truths. He would never admit to making half-truths which sound too much like half-lies.

To play safe, the premier simply refuses to complete his statements. In the end, nobody can accuse him of misleading anybody—even if it could at times turn out that way.

So, when Chatchai says the House won't be dissolved and that there is no plan for a Cabinet reshuffle, he is simply saying: the House won't be dissolved (unless he has no alternative)—and that the Cabinet won't be reshuffled (if he can help it).

Some leading Chat Thai executives have followed the premier's line in their public statements. But they all boil down to the same thing: the political scene is so fluid that the prime minister has no choice but to play his card close to his chest. Of course, if anybody should ask him whether he will quit the game or turn the table on his opponents, all he can say is: Well, as you can see, I am still holding on to my cards.

Believe it or not, even Chatchai himself doesn't always know what his next move would be. The rules of the game are not being laid down by him alone anymore. Other players are also in a position to call the shots and the sources of political pressure are shifting from day to day.

A few weeks before last, Chatchai appeared to be at odds with the army chief, General Chawalit Yongchaiyut, for a number of obvious reasons: The army chief wasn't very happy about the prime minister's not playing along with the game of letting him slide into the political scene gracefully. Chatchai didn't make sufficient room for Chawalit to make that entry elegant enough. Chatchai, on the other hand, feels that the army chief was perhaps asking too much too soon.

The top brass had to come out to save everybody's face by declaring that they still wanted their boss (Big Chiu) to stay on in the army. Chatchai and Chawalit tried to avoid meeting each other for a few weeks. The virtual strike at the port over what the union leaders claimed to be a protest against privatization didn't help smoothe the relations between the two either. Suspicion deepened—until the workers miraculously agreed to disperse after Chawalit publicly intervened.

The fact that "Big Chiu" didn't manage to wrest a compromise from the union leaders didn't matter. What mattered was that he got them to agree to go home—a mission the prime minister had tried to accomplish for days in vain.

Nobody knows what was on the premier's mind although it was not too difficult to guess. When some senior military officers came out to deny that the army was agitating the port workers, everybody started smiling at one another again.

And when the army chief, breaking his month-long silence, declared that this present government is "one of the best" in recent memory, the two could kiss and hug each other gain.

But that doesn't solve all the lingering problems. The sudden reshuffle of senior officials which put a new man at the top of the bureaucratic hierarchy at the Interior Ministry sparked speculation that Chatchai was getting ready to call a snap election. There were clear signs that he was sliding into a very weak, defensive position. He probably feels that his popularity rating has never been so low since he took over office 18 months ago.

But, unlike Chawalit, Chatchai is not a man in a hurry. To some observers, the army chief has put himself in a bind because of his promise to quit his military post before schedule and the deadline is, according to his own frequent statements, anytime between now and September, this year.

Like a pilot who has already informed the control tower that he is preparing to land his plane, Chawalit now finds that there are no welcoming signals from a large, international airport just yet. The warm calls have mostly come from small airstrips not fit for his status. His plane's fuel may be running low and some of his moves may be interpreted as signs of desperation.

Chatchai is facing a different set of problems—all threatening his political survival. He would rather keep things intact if he could help it. But he is no magician. One scandal after another has hit his coalition government. He has muddled through so far—but he is no James Bond, and therefore not forever.

The Suan Kitti reforestation controversy has caught the Democrat Party in a serious dilemma. The party's leadership may have refused to back down—and in the process has added ammunition for the Opposition to launch new assaults. At one point, the Democrats were pondering quitting the coalition and Chatchai was in fact making plans to reorganize the line-up. But Agriculture Minister Sanan Khachonprasat, target of the attack, remained adamant. He somehow convinced the party leadership that quitting would be tantamount to admitting guilt.

Once the Democrat Party's top men decided to take that path, it was downhill all the way. The minister's defence against criticism in this case was—well, indefensible. And now, the prime minister is stuck with the Democrats until they become unstuck somehow or other.

This Thursday, Feb 15, the opposition Solidarity Party is to launch what they hope would be a knockout blow against Minister Sanan in a Sanam Luang rally. The threat has a ring of genuine threat to Minister Sanan—so much so that when he was asked whether he believed the Cabinet would be reshuffled or whether the House would be dissolved, the Democrat Party's secretary general said: "We will have to see what happens on February 15."

Most observers don't think the Opposition will have anything new or dramatically incriminating against him to disclose on that day. But perhaps Minister Sanan knows something we don't.

When a minister under assault starts attaching importance to the Opposition in public, you could be pretty sure that not all the accusations so far have been groundless.

And if that's the case, we may have to lend some credence to rumours that there have been discussions between Democrat leaders and Chatchai to swap posts between Sanan and Prachuap Chaiyasan, minister of science and technology. Yesterday brought yet a new round of speculation of a new swap: between Sanan and Deputy Premier Chuan Likphai.

The latter rumour was spread by opposition leader Wira Musikaphong—and will certainly be denied until it comes to pass. But there is no denying the fact that the Democrats are trying very hard indeed to find a way out of the deadend. But there is no light at the other end of the tunnel just yet.

True to his style, Chatchai has been pondering some piecemeal solutions to defuse the political timebombs—and his gimmick has been to swap posts. He did that, quite successfully to a certain extent, with his brother-in-law Praman Adireksan and Banhan Sinlapa-acha who traded the interior and industry portfolios to resolve a rift within his Chat Thai Party. There was a brief uproar which was soon smoothened over when Praman realized he wasn't in a position to rock the boat in any effective way.

No doubt, Chatchai believes he could also fend off the Opposition this time with another swap within the Democrat Party ranks. He was probably sincerely convinced that he was telling the truth when he declared late last week, in the wake of the Suan Kitti scandal, that there were no plans to dissolve parliament or reshuffle the Cabinet. Reporters didn't wait long enough for him to finish his sentence: ...for now.

The new parliamentary session is due in two and a half months. But Chatchai is more worried about today and tomorrow. He can't fool everybody: his options are limited. And his strategy is all too transparent:

1. Hopefully, the Opposition's assault would be weak enough for him to ignore the whole exercise and carry on, business as usual. No Cabinet reshuffle. No House dissolution.

2. If the Democrats' crisis refuses to go away, he hopes the Democrats will bid farewell so that he could reshuffle the Cabinet. If not, he will have to ask them to leave the coalition. Talks with some Opposition parties have in fact already taken place behind the secenes—all conditions being tentative, naturally.

3. If the Democrats refuse to go while the crisis intensifies, other pressures will start to pile up on Chatchai. His Chat Thai's own leaders will start to exploit the situation. Another coalition partner, Social Action Party, will try to jump in to get a piece of the cake. The army chief's political ambition may come into play at this time.

Once these complications start to surface, talks over a new coalition lineup will prove tricky because of Chatchai's weakening bargaining position. He may step down, hoping to be renominated premier to form a new coalition. But, under that scenario, the players and ground rules remain unchanged. He may hit another roadblock with that option.

Should that be the case, Chatchai will be forced to resort to the last option of dissolving parliament in hopes that Chat Thai's position will be boosted as a result, with or without him in the new scheme of things.

A whole new ballgame with many new players including Chawalit and some current army leaders will then begin.

Don't be surprised, therefore, if Chatchai starts changing his favourite statement next week from: "No problems" to "Everything is possible in politics."

He knows the intricacies of the political game inside out. And he plays it with great ease. The occasional signs of stress and strain are deceptive at best.

Editorial Views Chatchai 'Political Storms'

BK1302041190 Bangkok THE NATION in English 13 Feb 90 p 8

[Editorial entitled: "The Premier's 3 No's"]

[Text] Prime Minister Gen [General] Chatchai Chunhawan has recently come up with a strategy of three no's to deal with the present political storms: no resignation, no dissolution of the House, and no shakeup of the Cabinet. In the face of growing labour tensions and a political offensive by the leading opposition party, the Solidarity, it is increasingly doubtful that his strategy will work.

Solidarity leaders plan to rally at Sanam Luang on Thursday [15 February] to denounce what they have charged is rampant corruption and inefficiency in the Chatchai administration, particularly in connection to the Suan Kitti scandal. They have threatened to hold the prime minister directly responsible for alleged forest encroachment by the Suan Kitti Reforestation Co. Agriculture Minister Sanan Khachonprasat, secretary-general of the Democrat party, has already come under severe criticsm for what appeared to be a special relationship with the owner of Suan Kitti Reforestation, whose workers have been arrested for encroachment.

Interestingly, the other two opposition parties, Prachakon Thai and Puangchon Chao Thai, will not take part in the Thursday rally. They are widely regarded as potential partners in a new Chatchai-led coalition if the premier decides to kick the Democrats out in a shakeup.

The Phalang Tham, a neutral party, will not join the Sanam Luang rally either because its leaders have "prior engagements." Bangkok Governor Chamlong Simuang, the Phalang Tham leader, earlier admitted that he had been approached by senior Chat Thai leaders to creatte an informal alliance for future political cooperation, and he had said would consider the offer.

Whether or not the prime minister will go ahead with a Cabinet shakeup seems to depend on how much political damage the Solidarity is able to inflict on Sanan and the Democrat Party. Solidarity leaders are expected to blast Sanan and other Democrat ministers for "clinging" to their Cabinet seats at all costs. This may drive a wedge between those Democrats who would rather pull out of the government coalition than face further humiliation and those who, like Sanan, prefer to hang tough and brave the storm.

If the Democrats finally bow out, the prime minister can turn to the Prachakon Thai (with 31 MPs) and Puangchon Chao Thai (17 MPs), whose combined strength is exactly the same as that of the Democrat Party. If the Democrats hang tough or merely reshuffle Cabinet seats among their senior executives (like moving Sanan out of the agriculture portfolio), the premier will likely have "no problem" with the new arrangement.

A more serious challenge to his three no's strategy will come from the dissident unions at state enterprises facing privatization. The powerful union at the Electricity Generating Authority of Thailand [Egat], the country's largest state enterprise, has given the government until midnight to scrap a plan to privatize part of its power generation project in the Northeast.

Unions at the Bangkok port have also pressed for early resumption of talks on privatization at the Laem Chabang deep-sea port. The unions have insisted on blocking out all private contractors. The union at the Telephone Organization of Thailand [TOT] is also trying to convince the government to cancel its plan to privatize new service expansion projects and, like their counterparts at Egat and the Bangkok port, has threatened to "do something" (most likely a slowdown or, if worst comes to worst, a strike) if the government ignores its threat.

A strike at either Egat, the Bangkok port or the TOT would certainly wreak havoc on the Thai economy and tempt the military to intervene. The Chatchai administration would be seriously discredited if it fails to prevent such an event and has to rely on the military, once again, to pacify state enterprise unions. Army generals stepped in early this month to end a four-day-long strike at the Bangkok port—but without resolving the dispute.

A Cabinet shakeup cannot solve the privatization dispute, because it is a long-standing national development policy, not just a policy of this administration. Dissolution of the House is not a solution either because the next elected government will have to answer to these unions, or else rewrite national development policy.

What about resignation by the prime minister? This seems to be out of the question. General Chatchai wouldn't have transferred Pol Gen [Police General] Praman Adireksan from the Interior Ministry to the

Industry Ministry—offending Praman, his brother-in-law, in the process—if he considered resignation as a possibility. The fact that he has also transferred a trusted aide, Anan Anantakun, to the post of interior permanent secretary, indicates that a House dissolution is a much-preferred option.

But could he dissolve the House just because of critical disputes with the state enterprise unions? We do not know, but hope the prime minister has the answer.

Interior Minister To Reshuffle Governors

BK0802032790 Bangkok THE NATION in English 8 Feb 90 pp 1, 2

[By Charoenkit Srisuksai]

[Text] Interior Minister Banhan Sinlapa-acha plans to reshuffle provincial governors in the mid-year shake-up in April following the controversial replacement of Interior Ministry Permanent Secretary Anek Sithiprasat with Cabinet Secretary Anan Anantakun on Tuesday [6 February] informed sources told THE NATION yesterday.

The sources said the first group of governors to be reshuffled would be those based in the North. The Chat Thai Party is not strong in the region with most northern MPs [members of parliament] belonging either to the Social Action or opposition Solidarity parties.

Banhan yesterday denied speculation that Local Administration Director General Chalong Kanlayanamit would be removed from his post following the transfer of Anek to the PM's [Prime Minister's] Office. He is replacing PM's Office Permanent Secretary Aphilat Osathanon, who will succeed Anan as Cabinet secretary general in transfers that were approved by His Majesty the King yesterday and become effective on Feb 17.

But the minister declined to answer if his denial only covered an immediate transfer, thereby leaving open the possibility for a future reshuffle.

Chalong, a graduate from Chulalongkon University's Political Science Faculty like Anek and most of the senior Interior Ministry officials as well as provincial governors, was reportedly upset with the transfer of Anan, a graduate of Thammasat University's Faculty of Political Science, because Anan has more years left in the civil service than he does.

Anan's appointment was viewed with consternation at the Interior Ministry, upsetting some Sing Dam governors, as Chulalongkon University graduates are called, who fear they may be demoted as a result.

Anek told reporters that Banhan had assured him there would be no more personnel changes until the mid-term reshuffle in April with the exception of the Chantaburi governor, who is sick and may have to be replaced.

An informed source told THE NATION that the mid-year shake-up was expected to be a major one.

"Anan is expected to propose the personnel changes for Banhan to approve," the source said. Anan is regarded by many as a Chat Thai man.

Another source said Banhan will reshuffle those in the North first as the Chat Thai Party wants to gain a stronger foothold in the region.

Since Anan is a Sing Daeng (Thammasat graduate), the reshuffle is expected to tip the balance in favour of the Thammasat graduates in the Interior Ministry, said the source, who asked not to be identified.

The source said that among the senior officials most worried about Anan's return to the Interior Ministry was Deputy Permanent Secretary for Local Administration Ari Wongariya, who had developed personal conflict with the permanent secretary-designate in the past.

Chulalongkon graduates now dominate key posts at the Interior Ministry because former permanent secretary, Phisan Munlasatsathon, a Sing Dam, held the office for eight years before Anek succeeded him last October.

Sing Dam senior officials include Anek, Ari, Deputy Permanent Secretary for Security Somphon Klinphongsa, Deputy Permanent Secretary for General Affairs Bunchuai Sisarakham, Chalong, Community Development Director General Yuwat Wuthimethi, Land Department Director General Thawi Chusap, Corrections Department Director General Sanit Ruchirawong, Town Planning Director Chamnan Photchana and Rural Development Acceleration Office chief Chodok Veratham Phunsawat.

Among the top-ranking Sing Daeng officials are Deputy Permanent Secretary for Development Charoenchit Na Songkhla, Deputy Permanent Secretary for Special Affairs Wirot Racharak and Director of Policy and Planning Pramun Chanchamnong. Of all 73 provincial governors, 47 are Chulalongkon University's graduates, 16 are Thammasat graduates and the other 10 graduated from other institutions. Ex-interior minister Praman Adireksan yesterday met Banhan at the Interior Ministry apparently to seek the Chat Thai secretary general's assurance that Chalong would not be removed from his key post.

After the luncheon meeting between the two senior Chat Thai ministers, they spent about half an hour with Anek, Chalong and a number of senior Interior Ministry officials.

Military Official Comments on Border Fighting

BK1402012390 Bangkok BANGKOK POST in English 14 Feb 90 p 6

[Text] Tak—Thai border security forces and civilians will join hands in pushing back any foreign forces intruding into Thai territory, Commander of Task Force 34 Col Chalo Thongsala said yesterday.

"We will mount a strong counter-attack if attempts through the local Thai-Burmese Joint Coordinating Committee and other means of warning fail", he said.

If the warnings are ignored, he said, Thai troops will shell the foreign troops and use force to push them back across the border.

In response to remarks made by Gen Bo Mya of the Karen National Union [KNU] that his rebels will shell Thailand if Burmese troops attack them from the Thai side of the border, Col Chalo said the KNU had a right to protect themselves but Thailand would not allow any foreign troops to use its territory as a springboard to attack their enemies.

On Gen Bo Mya's threat that his guerrillas would sabotage logging in areas that Burmese troops have seized from the Karens to trade with Thailand, Col Chalo said if such an action took place in Burma, Thailand would consider it an internal Burmese affair. But if the attacks occurred on Thai territory, Thailand would take strong measures against them.

The Thai commander also said he would demand that the Burmese Government pay compensation for damage to a school, temple and Thai villager's houses at Ban Wang Kaeo last Saturday. The Third Army will hold a meeting on Friday to assess the damage before crossing into Myawadi to discuss the compensation demand with Burmese authorities.

Vietnamese Envoy on 'New Phase' of Relations

BK0902035590 Bangkok THE NATION in English 9 Feb 90 p 3

[Text] Thai-Vietnamese relations are entering a "new phase" but the two countries must make efforts to remove "distrust" between them, the new ambassador of Vietnam said Wednesday [7 February].

An imminent settlement of the Cambodian conflict, expanding business contacts between Thailand and Vietnam and the more favourable international conditions are signs of improving relations between the two countries, said Ambassador Nguyen Trung.

He told THE NATION that Vietnam welcomed Foreign Minister Sitthi Sawetsila's recent statement that Thailand will gradually end the economic isolation imposed by ASEAN on Vietnam following its invasion of Cambodia in late 1978. Sitthi said Vietnam was no longer a threat to Thai security following its troop withdrawal from Cambodia.

"Vietnam has never been a threat to Thailand," said Trung who took up the ambassadorship last month.

He said the lack of "mutual trust" was one of the obstacles to better Thai-Vietnamese relations.

Vu Tien Phuc, the first secretary of the Vietnamese Embassy, said Thailand's mistrust of Vietnam is reflected in existing restrictions on private trade with Vietnam and the absence of government-to-government contacts.

"Only the private businessmen have responded to Prime Minister Chatchai Chunhawan's policy of turning the Indochina battlefield into marketplace. So far there have been no contacts in that direction at the government level," Phuc said.

He said the Vietnamese refugees who came here during the Dien Bien Phu era are still treated as second-class citizens.

The Thai government refuses to grant Thai citizenship to these Vietnamese, numbering around 50,000 and living mostly in northeastern Thailand.

Ambassador Trung said he was optimistic that the war in Cambodia is finally coming to an end with efforts being made regionally and internationally to find a political settlement to the 11-year-old conflict.

Trade between Thailand and Vietnam has also been on the rise while international conditions have become more favourable, he said. "These are signs that Thailand and Vietnam are moving into a new phase of their relations. The new phase is now on the horizon," he said.

Trung said though Thailand and Vietnam have different political and economic systems, they will have to adjust what he described as their "working style" to forge closer relations.

Commenting on political changes sweeping Eastern Europe, Trung said he did not expect the same things to happen in Vietnam.

He claimed that economic and political reforms introduced by the Vietnamese Communist Party are working and have the support of the Vietnamese people.

"There is no cause to expect changes (like those in Eastern Europe) in Vietnam," he said.

Vietnam is one of the three communist countries in Asia that are still holding to orthodox communism despite changes in the Soviet bloc countries. The other two are China and North Korea.

"Vietnam's socialism is an internal affair of Vietnam" said Trung when asked whether his country would be inspired by changes taking place in other communist countries.

Trung, who was director general of the External Economic Relations Department of the Foreign Ministry before coming to Bangkok, said though difficulties remain, economic conditions in Vietnam have improved as a result of the reform.

Citing the fight against inflation, Trung said the inflation rate which hovered close to 400 per cent in 1988 was brought down to 30 per cent this year. "Our target is to keep it down to at least 20 per cent," he said.

Economic reform was introduced in Vietnam in 1986 aimed at transforming the centrally directed economy into a more market-oriented system.

Trung claimed Vietnam is also undergoing a process of democratization with independent candidates allowed to run in local elections.

Malaysia and Vietnam have agreed to expand bilateral trade and economic ties, a senior Malaysian Foreign Ministry official said in Kuala Lumpur Tuesday.

Datuk Ahmad Kamil Jaafar, who returned from a four-day visit to Vietnam, also said official talks would resume soon on the fate of thousands of boat people in Malaysian camps, according to THE STRAITS TIMES of Singapore.

He was quoted as saying the private sectors of the two countries would cooperate in the development of the petroleum industry, rehabilitation of rubber estates and the setting up of tourist facilities in Vietnam.

As part of the agreement worked out, he said Vietnam would grant landing rights to Malaysia Airlines to fly to Hanoi and one other city, while Air Vietnam would fly to Kuala Lumpur.

The cooperation also covered an agreement by Malaysia to buy rice from Vietnam.

Article Assesses Thai-Soviet Trade Relations

BK1102024790 Bangkok THE NATION in English 11 Feb 90 p 7

[Article by Victor Glanev, Soviet trade representative in Thailand, entitled: "New Impulses to the Development of Cooperation Between the USSR and Thailand"—date not given]

[Text] For a long time, trade and economic relations between the ASEAN nations and the Soviet Union, their major partner from among the European socialist states, persisted at a rather low level. The downward tendency in cooperation has been overcome only in the last few years.

The commodity pattern of the USSR's trade with the ASEAN nations is rather poorly diversified, with exchanges covering 14 or 15 basic items. Soviet exports to these countries comprise vital raw materials, fertilizers of some kinds, fish and fish products and consumer goods, while imports cover all natural rubber and agricultural products, palm oil and raw materials of some kinds.

The general warming up of the international political climate and the Soviet government's numerous peaceful initiatives in respect to the Asia-Pacific region help strengthen tendencies in the ASEAN nations for enlarging the scale of dialogue with the USSR.

At the same time, it is obvious that the protectionist policy of some industrialized states towards traditional and new export goods from the ASEAN countries prompts a search for new markets for finished products and for possibilities of obtaining equipment and primary materials.

The USSR is ready to provide these requirements by supplying its engineering products (metallurgical equipment, micro-turbines, electric motors, looms, machine-tools, oxygen equipment, etc.) farm machines, irrigation facilities, primary materials (coal, fertilizers, asbestos), while getting in return food products it needs (rice, oils, meat, fruit and vegetables), and also consumer goods (clothing, textiles, electrical appliances).

Among the ASEAN nations, the Soviet Union regards Thailand as one of the most promising trade and economic partners. The Soviet-Thai trade agreement of December 25, 1970, envisages the granting of most-favoured-nation treatment in trade and navigation to each other and all settlements in freely convertible currencies.

The visit of former Thai Prime Minister Prem Tinsulanon to the USSR in May 1988 has given a new impulse to the development of Soviet-Thai relations.

The increased interest of enterprises and organizations in both countries in establishing and developing mutually advantageous contacts is also a substantial factor. The reform of the system of management of foreign economic relations in the USSR has enabled practically all enterprises, organizations and productive cooperatives to sell their products on external markets, simplified the establishment of contacts and enhanced their interest in export-import operations.

Soviet organizations have become much more prompt in responding to partners' requests and have started establishing more frequent business relations with Thai companies.

On the other hand, the dissemination of information on the export potential of Soviet enterprises heightens interest among Thai businessmen in goods from the USSR.

Current Soviet exports to Thailand include raw materials—mineral fertilizers (carbamide, potash, etc.)—newsprint and chemicals. Soviet foreign trade associations are bringing into Thailand such manufactured commodities as tractors, loaders, electric motors, bearings, textile and oxygen generating technology, metal-working machine tools, etc.

Soviet exports of machinery and industrial plant and commercial credits are advanced to Thailand when requested. The Soviet foreign trade associations, exporting manufactured commodities, are also prepared to provide services on maintenance, spare parts and operation of the plant, and train local personnel.

In their turn, Thai businessmen are interested in expanding the export of their agricultural produce, including sugar, rice and tapioca products, to the Soviet Union.

Trade remains the basic direction of the USSR's foreign economic relations with Thailand, but its forms will, evidently, substantially change with due account taken of the commands of the times and acute competition in the market. An increase should be expected in mutual deliveries, barter deals, purchasing goods in return for services granted, re-export operations involving their countries, launching joint marketing ventures and so on.

The practice of linking the purchases of Thai goods by Soviet organizations with the sale of products from the USSR has lately been used more widely, which has led to an increase in mutual trade turnover and in the variety of goods exchanged.

The first session of the joint Soviet-Thai Commission on Trade was held in Moscow in October last year. Both sides emphasized their common desires to further activate and strengthen trade relations and to promote closer cooperation in fields of mutual interest to the benefit of both countries.

1989 Capital Inflow Swells Financial Reserves

BK0202110590 Bangkok THE NATION in English 26 Jan 90 p 14

[By Sam-ang Wutthisaksathit]

[Text] A bumper capital inflow swelled the country's international reserves to Bt [baht] 275 billion ($11 billion) at the middle of January, according to the Bank of Thailand. The figure is equivalent to five months of imports.

The capital inflow over the 12 months of 1989 amounted to Bt336.4 billion, compared with an outflow of Bt190.2 billion. The central bank attributed the strong capital inflow to Thailand's robust economic performance, the growth rate of which hit double-digits for the second year in succession.

The country posted a growth rate of 10.8 per cent last year.

Capital inflow mainly came in the form of direct overseas investment, lending and stock investment. The net capital inflow lured into the country by the private sector amounted to Bt146.2 billion. After the government's external debt service, amounting to Bt6.13 million, is deducted the country's net capital inflow totalled Bt140 billion.

Nawarat Lekkakula, the central bank's spokesman, said much of the borrowed funds were sourced from Hong Kong and Singapore while stock investment was primed by Singapore, Hong Kong and England. Lending and capital investment was almost double that in 1988.

According to the spokesman, the country's trade deficit rose 32 per cent in 1989 to Bt134 billion as a consequence of the economic growth and the sharp increase in machinery, equipment and intermediate goods imports for local manufacturing and finishing. Imports leapt 29 per cent in value terms to Bt647.77 billion, of which Bt57.1 billion was spent on 12.3 billion litres of imported petroleum products.

Export growth last year matched that of imports at 29 per cent, boosting the country's export earnings to Bt512.9 billion. However, due to continuing buoyancy in the tourism industry, the country's service account was in surplus, totalling Bt77.38 billion, excluding the revenue of Thai Airways International.

Due to the widening of the trade deficit, the current account deficit also broadened to Bt57.47 billion.

As a result of the strong capital inflow, the balance of payments doubled to Bt111.38 billion.

Vietnam

Ryzhkov-Chatchai Talks on Cambodia Reported

BK1402151590 Hanoi VNA in English 1454 GMT 14 Feb 90

[Text] Hanoi VNA February 14—The Soviet Union and Thailand have reaffirmed their readiness to create favourable conditions for the holding of a new informal meeting in Jakarta on the Cambodia issue in the framework of the Paris conference.

It his talks with Thai Prime Minister Chatchai Chunhawan in Bangkok during his official visit to Thailand on February 11 and 12, Chairman of the Soviet Council of Ministers N. Ryzhkov highly valued the Thai leadership's policy to develop the relations of good neighbourliness and mutually beneficial cooperation with Laos, Vietnam and Cambodia, pointing out that such a policy would help create an atmosphere favourable for the peaceful coexistence among countries in Southeast Asia and the maintenance of stability in the region.

Spokeswoman on Cambodia, French Minister Visit

BK1502103290 Hanoi International Service in English 1000 GMT 15 Feb 90

[Text] Speaking at a regular press conference in Hanoi on Thursday, Mrs. Ho The Lan, head of the Information Department of the Vietnamese Foreign Ministry, rejected a news report saying that Vietnam and the State of Cambodia agreed to dissolve the Government of the State of Cambodia and the tripartite Coalition Government.

She said this news is groundless. She emphasized that the internal affairs of Cambodia must be settled by Cambodians. All countries have to respect the right to self-determination of the Cambodian people. The United Nations, she added, must respect the sovereignty of Cambodia. The UN cannot dissolve the two existing governments in Cambodia and hand over power to the United Nations [sentences as heard].

She also said that the existence of the two governments is necessary for maintaining a normal life and law and order for the Cambodian people in the areas under their control. At present, the State of Cambodia is the only force capable of preventing the reestablishment of the genocidal regime in Cambodia. Dissolution of the State of Cambodia will create turmoil and will enable the Khmer Rouge to return to power in this country.

Mrs. Ho The Lan made known that the Vietnamese delegation to the forthcoming informal meeting on Cambodia scheduled on 26 February will be led by Foreign Minister Nguyen Co Thach.

The Vietnamese spokeswoman also said that French Foreign Minister Roland Dumas will pay an official visit to Vietnam from 24 February.

Radio Comments on Situation in Eastern Europe

BK1502073390 Hanoi International Service in English 1000 GMT 14 Feb 90

["Radio Opinion" on the complicated developments in the socialist countries in Eastern Europe]

[Text] The Central Committee of the Communist Party of the Soviet Union held its plenary session in Moscow from 5-7 February. It was a regular but very important session. The session discussed the leading role of the party and considered the draft program of the party Central Committee.

According to the spokesman for the Soviet Foreign Ministry, Mr. Gerasimov, the outcome of the session (?indicated) the transfer of power from the party Central Committee to the Supreme Soviet, which is not a shift over to pluralism. Mr. Gerasimov also affirmed that the Soviet Union is not going to adopt pluralism.

In his speech to the session, the Soviet party leader Mikhail Gorbachev said: The Soviet Communist Party is ready to take action with consideration of new conditions of cooperation and dialogue with all organizations on the basis of a Soviet Constitution. He said that the Soviet Communist Party can only fulfill its mission as a political vanguard if it strictly renovates itself. Furthermore, the situation in the Soviet Union is tense and the Soviet people [words indistinct]. Mr. Gorbachev described this as a specific character of the present Soviet situation.

The situation in the Lithuanian Soviet Socialist Republic is deteriorating. The Lithuanian Supreme Soviet met and issued a document saying that the 1940 mergence of the Lithuanian National Assembly into the Union of Soviet Socialist Republics was illegal and invalid. This is because the decision did not reflect the desire of the Lithuanian people. The Lithuanian Republic is trying to abrogate all its obligations under the Soviet Constitution and denationalize several economic sectors.

Many people do not agree with this decision of the Lithuanian Supreme Soviet. A working unit in Vilnius held a meeting to express their resentment of this decision. After a period of calm, the situation in Caucasia area has become tense again. All efforts of the local party committee and administration to control the situation were futile. (?Extremists) keep fomenting trouble in the area.

There have been no signs of optimism in several socialist countries in Eastern Europe. Hungary has decided to increase the prices of many consumer goods. For its part, the Hungarian Socialist Workers Party affirmed that they will strive to become a party of the working class and laboring people.

In Romania, two months after the overthrow of the Ceausescu regime, the Romanian people continued their demonstrations and called for the overthrow of Ceausescu's associates. Meanwhile, the National Salvation Front of Romania has registered itself as a political party to take part in the elections scheduled for 20 May 1990.

In the German Democratic Republic, there has not been stability for the last four months. The situation seems to be deteriorating with the emergence of many political movements and the new fascists. Against this background, the Socialist Democratic Party is preparing for the coming elections. No one can predict the future in the German Democratic Republic. People want stability quickly to enable the building of a prosperous and happy country.

CPV Leader on Opposition Political Parties

BK1502113790 Hanoi International Service in English 1000 GMT 15 Feb 90

["Talk of the Week"]

[Text] Dear listeners: Since late 1989, the Eastern European socialist countries have witnessed great and complicated changes. The acceptance of political pluralism has neutralized or limited the role of the communist parties which for dozens of years have led the countries in building socialism. The Communist Party of Vietnam [CPV] maintains that, in the present conditions in Vietnam and in the future too, there is no objective necessity for the creation of opposition political parties. This is declared by party General Secretary Nguyen Van Linh in his important speech delivered at a meeting in celebration of the 60th founding anniversary of the CPV.

The general secretary said: A genuine democratic system is not determined by the existence of one or many parties. The question is whether this democracy is formal or genuine, whether it is democracy for a minority or for the majority of the people. In Vietnam, over the past century many political parties once existed with different political programs such as the Vietnam Nationalist Party, the Dai Viet Party, and others. However, all of them could not stand the test of time and finally were defeated and disintegrated.

So, the CPV, the party of the people, by the people, for the people, and relying on the people, must play the leading role in the national democratic revolution, gaining independence and freedom, and building socialism in Vietnam. Over the past half a century, there also existed in Vietnam two other parties—the Democratic Party of the intellectuals and the Socialist Party of traders and businessmen. Those two parties did not exist as opposition political parties but as members of the patriotic front, accepting the leadership of the CPV. After fulfilling their historic mission more than a year ago, those two parties themselves declared an end to their activities.

Mr. Nguyen Van Linh stressed: The party concentrates its strength to renovate itself as well as its leadership so as to fulfill its role as the political vanguard of the society. Forty-five years ago, when the party led the people in successfully fulfilling the August 1945 revolution, it had only 5,000 party members. Now the figure is 400 times greater. Party members are the best of workers and other laboring people who, together with the whole nation, have carried out successfully the resistance against foreign invasion and gradually made the country more prosperous and beautiful as the late President Ho Chi Minh had wished. However, during the revolutionary process, many party members have become retrograde and degenerate, doing harm to the party's prestige.

In his speech, the party general secretary summed up three lessons on strengthening the party. The first lesson is to oppose individualism. He said: We should strongly oppose individualism. Experience shows that internal disunity is often the result of individualism. Individualism manifests itself in various forms such as pride over one's past merits, envy of others' positions, self-conceit, contempt for the collective, embezzlement, bribery, greediness, and arbitrary use of power. Another dangerous form of individualism is opportunism which tends to rise.

Mr. Nguyen Van Linh also maintained that the present renovation is very complicated with many problems that need time to be tested, to distinguish between right and wrong. In such a situation, it is easy to understand that there are many contradictions. But the main thing is not to let the different opinions lead to division. The communist party is the sole leader of the Vietnamese revolution. It was so in the past, it is so now, and it will be so in the future.

Army Journal Views Party Role on Anniversary

BK0502065190 Hanoi Domestic Service in Vietnamese 2330 GMT 2 Feb 90

[Editorial from TAP CHI QUOC PHONG TOAN DAN of February 1990: "Restore and Foster the Fine Revolutionary Traditions of Our Party in the Current Renovation Undertaking" regarding the 60th anniversary of the founding of the Communist Party of Vietnam]

[Text] Our party's finest revolutionary traditions are that it has attached itself closely to the people and that it has devoted itself to serving the interest of the working class, of the laboring people, and of the nation. This is what has enabled our party to organize and muster a huge force of the entire people, the core of which is the worker-peasant alliance; to successfully carry out the great people's national democratic revolution and the marvelous people's war for national salvation; to triumph over all the extremely brutal wars of aggression of our time; and to gradually build a new social system in the war.

Regrettably, these fine traditions are being seriously damaged, especially since the victory of the anti-U.S. war of resistance whereby our party became the leader of the socialist revolution nationwide in which it has led the administration and has been responsible for all aspects of life throughout the nation. This is because our party has committed subjective and willful shortcomings and mistakes in mapping out policies and lines which do not yet fully suit the interests of the people of all strata, including those of the party's popular foundation—workers and peasants. This is also because an important segment of party members, including high-ranking members, have gradually turned bureaucratic once they had positions and authority and have treated the people undemocratically, dictatorially, and arbitrarily. They have oppressed the people just like a new generation of mandarins and villains and have been corrupt and degenerate, thinking merely of their own interests, positions, prerogatives, and special privileges.

Evidently, the shortcomings and mistakes in the party's lines, advocacies, and policies and the state of degeneration and deviation of a segment of the contingent of party members are the two main reasons for causing the people's confidence in the party to decline and for inflicting damage on the relations between the party and the masses.

Party leadership is regarded as a historic inevitability; this does not come from nowhere, but rather from making the masses willingly and voluntarily recognize this leadership with correct lines reflective of the masses' basic interests and with close bonds between the party and the massses through vanguard and exemplary party members. This leadership cannot be established once and for all but it must, in practice, also be constantly consolidated and strengthened in various stages of the revolutionary process.

Restoring and developing these fine, revolutionary traditions are a matter of life and death for our party at present. This is not for the interest or personal objective of the party but is precisely for the interest of the revolution, of the popular masses, and of the entire nation. This is because the steadfastness of the party is the main factor deciding the steadfastness of our regime and our state and guaranteeing national independence and sovereignty and the people's freedom and happiness. The party must truly and always serve as a highly faithful

leader and servant of the people as advised by [the late] Party Leader Ho Chi Minh.

Other fine traditions of our party are independence and sovereignty—as affirmed in its revolutionary lines—and self-reliance in combat and construction. This is the quintessence of the working class' thorough revolutionary nature, of the epochal scientific knowledge, of the indominatable willpower and traditions, and of the built-in intelligence of the Vietnamese nation.

Our party is a party of willpower and wisdom. The willpower and wisdom of the party are the quintessence of the willpower and wisdom of the popular masses and of the entire nation in the new stage. The party's revolutionary lines are revolutionary and scientific. These are a combined product of moral and intellectual strengths. The party has properly applied Marxist-Leninist doctrine in Vietnam's specific situation, scientifically and correctly analyzed the situation at home and abroad, and come up with independent, sovereign, and creative revolutionary lines.

Our people's victory in war is the victory of Vietnam's willpower and intelligence combined into one by our vanguard party. Military science is a combined science. Lacking willpower and necessary scientific notions will make it impossible to explore the law of winning victories in war, to use the weak to defeat the strong, and to find a solution to the extremely unequal struggle between a politically backward Vietnam and modern, industrialized imperialist powers.

Shortcomings and mistakes displayed in our party's policies and lines in the current socialist revolution have their roots in its lack of knowledge and its inexperience in economic construction in the new struggle against backwardness and poverty and in consolidating and building the administration, or in general, in the cause of building a new social regime—a genuine socialist regime.

Fortunately, our party—the party of Ho Chi Minh—has proved itself to be a genuine Marxist party and also a party still strong enough to declare its determination to criticize and renovate itself as seen at the Sixth Party Congress. This is an initial step, of course, but how important it is! Only with a vanguard theory can the party play its role as a vanguard brigade.

The situation in our country as well as the crisis in various socialist countries at present have created a heavy, unrelinquishable duty for our party to discover by itself a way to advance our country to socialism and to continue to lead our nation forward. Our people have evidently discarded its painful capitalist path, have resolutely chosen the beautiful socialist path, and have more or less seen the superiority of socialism in everyday life. They will not, however, accept a socialism with faults and defects already exposed and with unjustifiable shortcomings and mistakes of its leaders. It is certain that our party will be able to gradually solve this difficult and complex duty and will constantly conduct research to build a new program of action for the party and map out a correct path for the socialist revolution in our country—a socialist path bearing Vietnamese characteristics.

What is important is that we must base ourselves on the actual situation in Vietnam and on Vietnamese traditions in reviewing our lessons of experience, firmly grasping creative Marxism-Leninism, analytically conducting research on and selectively learning experiences of the fraternal communist parties of socialist countries and even those of capitalist countries, and in developing the wisdom of a large number of party members and the masses as well as of workers, peasants, and socialist intellectuals.

Unity is an extremely valuable tradition of our party and our people as observed by Ho Chi Minh. Our country's situation and the world situation at present, especially the situation in various fraternal socialist countries now more than ever before require us to develop this extremely valuable tradition by maintaining unity within the party and the nation and promoting international solidarity. We must promote independence and sovereignty and international solidarity in a fair and sensible manner.

It is normal and even wholesome that there exist differing views in the process of seeking a way out for our current revolution. This reflects a sense of responsibility and the level of knowledge of our party cadres and members and of our people. We should not hastily criticize and find fault with this trend nor should we become divided and factional just because of differing views. We should unceasingly broaden and improve the knowledge of our party cadres and members and of our people, strengthen our information work and supplement everyone with this high-level food of intelligence, respect the people's right to mastery, and broaden democratization in a responsible and constructive fashion. These are necessary things for cultivating the independent thinking of each person and helping him make his creative contributions to the common cause.

General Gives Interview on People's Army Day

BK1302092590 Hanoi NHAN DAN in Vietnamese 18 Dec 89 pp 1, 4

[VNA interview with Senior Lieutenant General Dang Vu Hiep, deputy head of the general political department: "Develop the Fine Combat Tradition, Build a Comprehensively Strong and Firm People's Army"; 10 December 1989—place not given]

[Text] Question 1: Could you, comrade, review the major milestones in the building and maturing history of the Vietnamese People's Army [VPA] over the past 45 years, and those turning point victories in the Vietnamese people's struggle for national independence?

Answer: Under the leadership of the party and President Ho Chi Minh, the Vietnamese people's armed forces were born and were growing up in the revolutionary

struggle of the entire nation. They were built according to Marxist-Leninist ideology, bearing the nature of the working class and the bloodstream of a heroic nation.

During the Soviet-Nghe Tinh movement (1930-31), the Red Self-Defense Unit was born as a result of a need to oppose terrorism and protect the political struggle movement of the masses. This was the first bud of the revolutionary armed forces. In September 1939, World War II broke out. A period of war and revolution began. In October 1940, the Japanese fascists attacked our country's northern part and the cowardly French colonialists had to retreat. Realizing this favorable opportunity, the party organizations of Bac Son District of Lang Son Province and the Nam Ky [Cochinchina] decided to launch an uprising. During these two uprisings, the Bac Son and Nam Ky guerrilla units appeared in October and November 1940 respectively. These were our people's first revolutionary armed forces.

The world situation quickly changed in mid-1944. The Soviet Army victoriously counterattacked on many battlefronts. The eradication of the fascists was merely a matter of time. The party central committee urged preparations for an uprising. As directed by President Ho Chi Minh, the Vietnam armed propaganda and liberation unit was established on 22 December 1944. A new period began, the period of a high tide anti-Japan movement for national salvation which was developing vigorously throughout the country from early 1945 on. In central and southern Vietnam, many new guerrilla units, including the Ba To guerrilla unit of March 1945 were established. In May 1945, the armed revolutionary organizations countrywide united to form the Vietnam Liberation Army.

In August 1945, "the mass political units" in rural and urban areas together with the armed revolutionary organizations under the party leadership staged the victorious general uprising. The uprising days were also time for the armed and semi-armed revolutionary forces to develop by leaps and bounds.

On 2 September 1945 in Hanoi, President Ho Chi Minh read the Declaration of Independence, proclaiming the birth of the Democratic Republic of Vietnam. Also on this date, the Vietnam Liberation Army became the National Defense Army—the people's army of the first worker-peasant state in Southeast Asia.

The 1930-45 period became the period of the VPA's formation, and 22 December 1944 was then considered the VPA's founding day, when the Vietnam Propaganda and Liberation Army was established beginning the period of a high tide anti-Japan movement for national salvation to win the administration over for the people.

The French colonialists were determined to grab our country once again. The war of resistance started on 23 September 1945 with the people in Nam Bo being the first to take up rudimentary weapons to fight against the enemy. Fighting under extremely difficult circumstances, the entire Vietnamese armed forces and people simultaneously performed combat duty and engaged in production to achieve self-sufficiency in all fields. They fought against the enemy while developing their political strength and building the armed forces comprising three categories of troops. They carried out combat activities while learning how to develop guerrilla warfare and make use of the hit-and-run tactic. With the launching of a border campaign during the winter of 1950, our people completely foiled imperialism's scheme to besiege the Vietnamese revolution. The people's army developed its strength a step further, improved its quality in all fields, repeatedly launched increasingly fierce offensives and counterattacks, and achieved close combat coordination with the fraternal Lao and Cambodian liberation armed forces. The greatest efforts of the Vietnamese armed forces and people and the excellent combat coordination between the various battlefields in Vietnam and the three Indochinese countries led to the 1953-54 winter-spring strategic offensive, which ended with the Dien Bien Phu campaign. The Vietnamese people's sacred war of resistance against the French colonialists and the U.S. interventionists has scored a great victory. The people's armed forces have been soundly forged by the fire of the all-people war of resistance. This is a very valuable asset for the armed forces to enter the stage of peaceful construction and to join hands with the entire people in successfully carrying out the great anti-U.S. national salvation struggle. This period marks the growth of the Vietnam People's Army.

Following the success of the anti-French resistance, the Vietnamese revolution has shifted to a new development stage with two revolutionary objectives to be fulfilled at the same time, namely carrying out the socialist revolution in the north and completing the people's democratic revolution in the south before working toward the peaceful reunification of the fatherland. Nonetheless, the U.S. imperialists, who top the list of the most powerful capitalist countries, then replaced the French colonialists and made use of all neocolonialist maneuvers in an attempt to hamper the development of the Vietnamese revolution. The Vietnam People's Army, under the party's leadership, entered a new stage of development and combat, working with the entire people in carrying out new strategic tasks and fighting face to face against a new enemy.

Between mid-1954 and late 1964, the Vietnam People's Army devoted its efforts to building itself into a regular and modern military organization, participated in production, firmly defended the north, and stood ready to liberate the south and fulfill its internationalist duty. On 5 August 1964, our armed forces scored an outstanding victory by successfully repelling a surprise attack against a number of northern provinces by the U.S. Air Force, downing many modern jet fighters (eight out of 64 aircraft taking part in the air raid were shot down on the spot) and capturing alive a number of pilot aggressors. Meanwhile, in the south, the regional forces, which came into existence from political forces and the masses' concerted uprising movement and consisted of guerrilla

units and other military organizations, formed a widespread people's war labyrinth. With increasingly abundant troop reinforcements from the north, the armed forces comprising the three categories of troops in the south constantly developed their strength in the revolutionary war. Together with the entire people, they defeated the "special war" strategy of the U.S. imperialists.

Then, between mid-1965 and late 1972, in both parts of the country, the Vietnam People's Army, acting as the mainstay of the all-people war and fighting with unmatched heroism and bravery against more than 500,000 U.S. expeditionary troops and satellite troops and 700,000 puppet troops, foiled the U.S. imperialists' "special war" and "Vietnamization of the war" strategies against the south, defeated the war of destruction unleased by the U.S. Air and Naval Forces against the north, and eventually forced the U.S. aggressors to withdraw from the south in early 1973. The struggle against the U.S.-backed puppet administration continued until the spring of 1975. Through the strategic general offensive that ended with the success of the historic Ho Chi Minh campaign, the Vietnamese people have brought the national liberation struggle to an end, achieved national reunification, and embarked on the road to socialism.

Following the great victory of the spring of 1975, it was not long after our country entered the period of peacetime construction than it had to face another war: Our armed forces and people again had to take up arms to fight to defend their fatherland's southwestern border and to help their Cambodian friends overthrow the genocidal Pol Pot clique. Then came yet another war for national defense at the northern border. Our army and people defeated the above two wars of aggression at both ends of the country. At the request by the people and government of the People's Republic of Kampuchea, the Vietnamese volunteer army remained in Cambodia to help friends defend and build a new life. When the Cambodian revolutionary forces grew strong and capable of assumming the task of national defense and construction by themselves, the Vietnamese volunteer army was completely withdrawn by September 1989. Also in that period, the Vietnam People's Army victoriously accomplished the struggle against a limited land-grabbing war at the northern border and persistently prevented all enemy schemes and acts of land-grabbing at the Spratlys, thereby further strengthening national sovereignty in the Eastern Sea.

Thus, the VPA's 45-year history is one of continuous struggle and of fighting while carrying out unit-building. The more it fought, the stronger it became, and the quicker it matured. It won one victory after another. In the early days when it was first founded, the VPA had only 31 members equipped with 34 assorted weapons. Led and trained by the party, assisted and nourished by the people, and supported by brothers and friends throughout the world—with the greatest, disinterested, and effective support coming from the Soviet Union—the VPA now has all kinds of armed services, combat branches, and powerful army corps which are carrying out standardization in the gradual advance toward modernization. This serves as a guarantee for its victorious fight against all enemies under all circumstances in order to firmly protect the lives of the people and their peaceful labor and socialist gains.

Question 2: Could you, comrade, speak of fundamental guidelines for army building in the years to come?

Answer: Together with those great victories gained in national defense at the northern border, on the Spratly archipelago, as well as on other battlefronts, the fact that the last VPA units were repatriated after accomplishing their internationalist mission in Cambodia has ushered in a new situation for the Vietnamese people's revolutionary struggle—namely a relatively peaceful situation for the entire country. Our people will capitalize on the peace recently gained (through a struggle full of hardships and sacrifices which was conducted in coordination with political, economic, and diplomatic efforts and which triumphed over various forms of war waged by the enemy and their acts of aggression and sabotage) and will gradually shift all activities of the entire people to large-scale national construction. It should, however, be noted that this peace is not firm and complete because there remain many simmering hotbeds which can easily develop into limited armed conflicts or even a war. The danger of Vietnam facing aggression and expansion still remains. This is due to the imperialists' unchanged aggressive nature. Their worldwide offensive against socialism is taking place fiercely. The comprehensive strategy of sabotage against Vietnam of the imperialists and other reactionary forces is developing in a complex and sophisticated fashion. Against a new international and regional background, the new situation and tasks of the Vietnamese revolution call for new concepts about national defense and security. Taking into account the renovative lines of the party in the political, economic, and diplomatic domains when it comes to devising military policies, and proceeding from the particular requirements of the military law as well as from those achievements and shortcomings in the military field, the Party Central Military Commission and the Ministry of National Defense did advocate readjusting our strategy to suit new situation and tasks, the major contents of which were as follows:

—Correctly and wisely resolving those "hotbeds" at the northern border and on the Spratly archipelago in the direction of trying to limit and then end all armed clashes without allowing them to develop into war.

—Making extraordinary efforts to fulfill the internationalist duty toward Cambodia and taking the initiative in withdrawing home the whole contingent of Vietnamese army volunteers.

—Rearranging the strategic combat plan of the people's war.

—Vigorously reducing the personnel strength of the standing army (half a million troops, including 100,000 officers, have been cut over the past two years) while actively improving the quality of troops.

—Stepping up the building of all-people national defense on a national scale and in each locality with the emphasis placed on building provincial (and city) defensive zones in order to ensure combat readiness nationwide.

Only with the great efforts of the entire armed forces and with the care of the party, the state, and the people could these very great and very important tasks—which required both determination and courage plus the accurate appraisal of the situation and scientific organizational capabilities—be achieved.

Evidently, developments in the country and in the field of national defense are creating new requirements for the building of the armed forces. These requirements call for building the people's armed forces in such a way as to suit the tasks of the entire party and people—namely, consolidating peace, promoting economic construction and development, and firmly protecting socialist gains and the socialist fatherland under all circumstances.

In building the armed forces, what is most fundamental is that we pay attention to building the armed forces politically and ideologically, regarding the need to improve their political quality as a foundation for improving their general (military, logistical, technological ...) qualities.

Organizationally, we must build:

—an increasingly-modernized standing and regular army with a rational numerical strength, a compact organizational structure, and high quality;

—a powerful, well-organized and managed reserve force capable of being quickly mobilized for combat action;

—a steadfast, ubiquitous self-defense militia force whose main character is quality, especially political quality, and whose unit-building must be linked with efforts to organize production to suit the conditions of each locality and each establishment.

It is necessary to link the building of the armed forces with efforts to devise combat tactics for and consolidate the disposition of the people's war and to build "steadfast defensive zones" in each locality, in each battlefield, and in the entire country. Building up the strength of the armed forces and increasing their militancy are essential matters, while devising combat tactics and building steadfast defensive zones are fundamental conditions to ensure that the armed forces perform their combat and combat-readiness missions effectively and successfully.

The process of building the armed forces also involves satisfactorily improving and carrying out the policy toward the strengthening of national defense and the policy on armed forces building. In this regard, one of the most important and pressing requirements is that we must "have appropriate organizations and correct policies if we are to train and build a contingent of competent army generals and officers and of well-trained professional and technical personnel; and this must be regarded as one of the key tasks in building the armed forces." (Resolution of the Party Central Committee's Sixth Plenum).

Above are fundamental orientations for building the armed forces in the new situation. Only with a comprehensively renovative spirit plus a profound understanding of the concepts about practicability and development can we examine and resolve this task scientifically in accordance with the evolutionary law and meet requirements for defending the fatherland and protecting socialist gains in the current stage.

Mai Chi Tho Gives Interview on Security

BK1302151190 Hanoi NHAN DAN in Vietnamese 3 Jan 90 p 3

[Interview with Mai Chi Tho, member of the CPV Central Committee Political Bureau and minister of the interior, by NHAN DAN correspondent—date and place not given]

[Text] Question: On 14 May 1989, the Council of Ministers issued Directive No. 135 on the maintenance of order and security. Will you please tell us about the results of the implementation of this directive?

Answer: Implementing the National Assembly's resolution, the Council of Ministers issued Directive No. 135 with the aim of carrying out a crackdown on crime and maintaining order and security.

After 6 months of implementing the directive, especially since the recent drive to track down and suppress criminals nationwide, the crime rate dropped sharply compared to the past. Generally speaking, the crime rate dropped by 20-30 percent. In certain localities, it dropped by 50 percent. Criminals no longer dare to act as outrageously as before.

In the past, due to the adoption of a rightist tendency, we allowed crime to flourish uncontrollably. As a result, the people's well-being faced a serious threat, national property was seriously violated, innocent people were afraid of evildoers, social discipline was adversely affected, and the law was defied. It is obvious that the crackdown on crime has helped to protect the peoples' right to mastery, to restore the power of proletarian dictatorship, and to enhance the prestige of the party and state.

The implementation of Directive No. 135 has become a breakthrough in creating a brighter general situation. It also has had a positive effect on tax collection, the clearing of bottlenecks caused by occupation of road surfaces or pavements by market vendors, the maintenance of traffic order, and the effort to promote the operations of and strengthen cooperation among various

internal affairs sectors and all organs, branches, and mass organizations in general. Obviously, Directive No. 135 has satisfied the burning needs of the situation and the enthusiastic aspirations of the people. The more vigorously the crime suppression campaign is carried out, the easier and happier the people feel.

Exercising their right to mastery, the people in many localities have equipped themselves with alarm systems and sticks to participate directly in tracking down and rounding up criminals. Our people have voluntarily joined many organizations responsible for maintaining order and security, set up thousands of national security and defense units at the grass-roots level, and made contributions to the operational expenses of these organizations.

Initiated by six elderly retirees in Trung Tu ward (Hanoi), many other retirees and many citizens, including Buddhist monks and Catholic priests, have voluntarily contributed money to setting up funds for use in offering rewards to those who have scored achievements in the struggle against crime. National security and defense funds as well as reward money have now been increased to billions of dong and thousands of metric tons of paddy.

In many cases, the people have tracked down and arrested criminals by themselves and then turned them over to the public security forces. Many families have sent their spoiled children to responsible state organs for supervision or reeducation. A number of criminals, including those committing serious offenses, have given themselves up.

Some persons, who repented of their faults in the past, have now cooperated with the public security forces in persuading their friends or colleagues to return to honest life. These persons have even set up units for maintaining order and security under the supervision and material assistance of the people.

Examples of good people and good deeds and units and localities with a good performance have been commended by almost all provinces and cities, and experimented at various conferences of progressive models.

From the implementation of Directive No. 135, we have acquired a number of valuable lessons:

1. Adopting a rightist tendency toward criminals means tolerating and allowing crime to develop, thus seriously threatening the livelihood and right to mastery of the people and adversely affecting social discipline.

The suppression of crime must be carried out continuously, completely, and uniformly to prevent crime from becoming a cause of public concern.

2. We must seek a motto for each period to satisfy the burning needs of the situation and enthusiastic aspirations of the people. In this way, we can develop to a high degree the strength of the masses and the integrated strength of the political system of the party and state, and can achieve a breakthrough to create a new situation for the revolution.

3. To implement directives of importance such as Directive No. 135, we need the supervision of the party committee echelons and guidance of the people's committees and must muster the strength of all sectors, organs, and mass organizations and have an assault, core force (all public security units have served as an assault, core force in the execution of Directive No. 135).

4. For the mass movement to develop, emulation drives must be initiated, good people and good deeds timely and appropriately commended and rewarded, and progressive models widely multiplied.

Question: What are the shortcomings and problems in the process of implementing [Council of Ministers] Directive 135-HDBT?

Answer: It is true that there are still many problems. They are:

—We must fight crime not only by suppression, but mainly by prevention. The root causes of crime must be simultaneously eliminated.

In this matter, our work remains unsatisfactory in many respects. Social injustices; unemployment; contradictions between the people's right to mastery and bureaucratism, authoritarianism, and internal negativism in party and state organs; contradictions among the people; decline of morality; degradation of public health, educational, cultural, ideological, and social welfare services; flaws in social discipline and order; and imperfections in the legal system.

The mass movement is not strong and remains uneven. In some localities, especially in public organs and units, this movement is weaker in the upper level than in the lower ones. Crime prevention can be effective and permanent pressure can be maintained to suppress crime only if the mass movement is strong.

—Suppression of economic crimes (violations of socialist property, speculation, smuggling, and so forth), sabotage of political security, and cultural and ideological sabotage have not received due attention.

—Many examples of good people, good deeds, and good localities have not been brought to light and commended and rewarded in a timely and appropriate manner. Many models have not been widely multiplied.

—Crime must be suppressed, but criminals must be managed, fed, educated, and reformed to become honest people. There remain many problems to which we must give utmost attention in order to resolve them.

—We must oppose right-wing deviationism and evasion of action in crime suppression and in the restoration

of social discipline and order. In this matter, there remain problems that we must continue to resolve. On the other hand, we must guard against overreaction and left-wing deviationism, although we have seen nothing worth worrying about in the recent crime suppression drives in accordance with Directive 135-HDBT.

Question: On this occasion, do you have a request to make of the mass media?

Answer: The press organs and radio and television stations are in fact an extremely important force in the struggle against crime. You have delved deeply into, maintained close contact with, and made timely reports on the mass movement as well as the work and combat activities of the public security forces. When needed, you (NHAN DAN) have even provided the public security forces with means of transportation to help them carry out their activities.

To be exact, I must say that you have directly taken part in the fight. It is due to the valuable contributions by the press, the radio and television stations, and the people that extremely important initial results have been obtained in the implementation of Directive 135-HDBT.

On this occasion, the Interior Ministry warmly welcomes and thanks you for your positive contributions to the implementation of Directive 135-HDBT. Also on this occasion, the Interior Ministry would like to ask you convey its warm welcome and thanks to our compatriots and to all elderly pensioners, departments, sectors, mass organizations, cadres, and combatants who have recorded many achievements in the maintenance of national security and order.

It is my earnest wish that in the days ahead, you will continue to bring into full play your spirit of revolutionary drive, to carry large numbers of reports and pictures depicting the lively activities of the people, cadres, combatants, and grass-roots units, including the activities of the contingent of correspondents and NHAN DAN staffers, so that we can commend and reward them in a timely fashion, thereby encouraging the movement for protection of national security.

Swedish Delegation Visits Ho Chi Minh City

BK0902163090 Hanoi VNA in English 1335 GMT 9 Feb 90

[Text] Hanoi VNA Feb. 9—A delegation of the import promotion office for products from developing countries (IMPOD) of Sweden led by its director of operation Stina Waern has paid a two-week working visit to Ho Chi Minh City.

While there the Swedish delegation toured a number of establishments specializing in rearing and processing shrimps and processing tropical wood for export. It also attended seminars on the production and processing of Vietnamese tropical wood and frozen shrimps for export to Sweden and other north European countries in the years to come. The Swedish side also suggested orientations on its immediate and long-term cooperation with Vietnam in the production and import of these two products.

Scandinavian Judicial Delegation Pays Visit

BK1402071190 Hanoi VNA in English 0555 GMT 14 Feb 90

[Text] Hanoi VNA February 14—A joint delegation of the ministries of justice of Sweden and Finland led by Swedish Vice Minister Sten Heckscher paid a working visit to Vietnam from February 4-10.

While here, the delegation paid a tribute at the Ho Chi Minh Mausoleum and called on the late president's residence and office, and had working sessions with the Vietnamese Ministry of Justice, the Vietnam Lawyers' Association, the Ministry of Culture, the Institute of Economic Management, the General Department for Land Use, the National Invention Administration under the State Commission for Science and Technology, the Hanoi Law College, the Hanoi Lawyers' Association, the People's Committee of Phong Chau District in the midland province of Vinh Phu, and the People's Court of Dong Da Precinct in Hanoi. On February 5 it was received by Minister of Justice Phan Hien.

The delegation highly appreciated the positive socio-economic changes in Vietnam in the current process of renovation as well as the Vietnamese Government's efforts in socialist legislation and law enforcement. A memorandum on cooperation with the Vietnamese Ministry of Justice for 1990-95 was signed on this occasion.

Swedish Ambassadress Birgitta Johansson and Finnish Charge d'Affaires Ms. Selma Honkanen took part in the delegation's activities.

More Greetings Received on Party Anniversary

BK1002153990 Hanoi VNA in English 1450 GMT 10 Feb 90

[Text] Hanoi VNA Feb 10—The Central Committee of the Communist Party of Vietnam has received more greetings from abroad on its 60th founding anniversary (Feb. 3).

A message from the Central Committee of the Communist Party of Argentina says:

"Loyal to the principles that led to the founding of the Communist Party of Vietnam 60 years ago, today the Vietnamese people are building a socialist society.

"On behalf of the Argentinian communists, we would like to reaffirm our solidarity and fraternal friendship with you."

A message from Daniel Ortega, president of the Standing Committee of the National Leadership of the Sandinista National Liberation Front and President of Nicaragua, says:

"The successes recorded by the Vietnamese people constitute a big lesson for other nations in the world struggling to defend their independence, the right to self-determination, peace, democracy and economic and social progress."

A message from the Central Committee of the Workers' Party of Ethiopia says:

"The Vietnamese people's successes and staunch position in their struggle for the defence of peace, democracy and socialism have won them the highest admiration and esteem of peace-loving and progressive nations in the world.

"On this occasion, the Central Committee of the Workers' Party of Ethiopia affirms its commitment to further strengthen the friendship and fine cooperation between the two parties, governments and peoples."

Message Sent to Bulgarian Communist Party Leader

BK1202163890 Hanoi VNA in English 1517 GMT 12 Feb 90

[Text] Hanoi VNA February 12—General Secretary of the Central Committee of the Communist Party of Vietnam Nguyen Van Linh has congratulated A. Lilov on his election as chairman of the Presidium of the Bulgarian Communist Party Supreme Council.

In his message, Nguyen Van Linh wished the fraternal Bulgarian people successes in their building a prosperous and happy Bulgaria, and the solidarity, friendship and cooperation between the two parties and peoples further consolidation and development. He also wished the Bulgarian party leader success in his responsible mission.

Nguyen Van Linh Greets Polish Party Leaders

BK0802163890 Hanoi VNA in English 1421 GMT 8 Feb 90

[Text] Hanoi VNA Feb. 8—General Secretary of the Communist Party of Vietnam Central Committee Nguyen Van Linh has congratulated A. Kwasniewski and L. Miller on their election respectively as president and general secretary of the Social Democratic Party of the Republic of Poland.

In his congratulatory message, Nguyen Van Linh wished the Polish party leaders and the left-wing force in Poland successes in overcoming the socioeconomic crisis and building a progressive and prosperous Poland.

He also expressed his wish for the consolidation and development of the solidarity, friendship and cooperation between the Polish and Vietnamese parties and peoples.

Irrigation Project Inaugurated in Mekong Delta

BK0502155190 Hanoi VNA in English 1506 GMT 5 Feb 90

[Text] Hanoi VNA Feb. 5—The Tam Phuong water control project built with Australian financial assistance has been inaugurated in Chau Thanh District, the Mekong Delta Province of Cuu Long.

The project was built in four years with Australian dollars 5.1 million-aid from the Government of Australia and technical assistance from the Interim Mekong Committee. Contributions from the Government of Vietnam are estimated at more than U.S. dollars 9 million. It consists of five major canals and sluices, 48 secondary canals and sluices, and hundreds of tertiary canals and sluices to control the salt water intrusion and help drainage in an area of 7,045 hectares of cultivated lands, including 5,900 ha of paddy.

Large areas of Tam Phuong are lowland. Generations of farmers suffered from problems caused by flooding in the wet season and salinity intrusion in the dry season. Before 1985, most of the farmers could grow only one unstable crop a year, with a yield of 1.6-1.8 tons per hectare, resulting in famines in the region.

With the Tam Phuong irrigation network, the same areas can produce three tons. In 1989, cultivating of two crops a year has been made possible on about 4,500 ha with a total annual yield of 5-8 tons per ha, helping double the district's rice output compared with the 1985 figure.

In addition, the Tam Phuong project has enabled the district to broaden communications, develop fishery, and take in more settlers. It has also helped in bringing fresh water to some 12,000 other hectares of cultivated land outside the Tam Phuong project.

Comparison of National Assembly Resolution

BK1202164190

NHAN DAN in Vietnamese on 3 January carries on pages 1 and 4 the 2,500-word resolution of the Eighth National Assembly's Sixth Session on socioeconomic development tasks for 1990. This version has been compared with and found to be identical to the Hanoi Domestic Service version published in the 9 January East Asia DAILY REPORT, pages 72-74, except for the following variations:

Installment One, page 72, column one, paragraph four, sentence two reads: However, these changes and achievements are still uneven and unstable. (changing wording)

Installment Two, page 74, column two, final paragraph reads: This resolution was adopted by the Eighth SRV National Assembly's Sixth Session on 28 December 1989.

Signed:
Le Quang Dao
Chairman of the National Assembly. (adding paragraph)

Australia

Soviet Prime Minister Ryzhkov Continues Visit

Holds Talks With Hawke

BK1402105390 Hong Kong AFP in English 1042 GMT 14 Feb 90

[Text] Canberra, Feb 14 (AFP)—Sweeping changes in the Soviet Union, the search for peace in Cambodia and economic issues dominated talks here Wednesday [14 February] between visiting Soviet Prime Minister Nikolay Ryzhkov and the Australian Government.

Mr. Ryzhkov, who arrived here on the second day of his three day official visit, met Prime Minister Bob Hawke for two hours, before lunching with key businessmen and delivering a wide-ranging address to the Australia-USSR Business Council.

The red Soviet flag flew for the first time in the streets of Canberra to mark the state visit by the chairman of the Council of Ministers, the most senior person from Moscow to come here.

While economic issues were at the top of Mr. Ryzhkov's agenda, Mr. Hawke sought a detailed briefing on Eastern Europe and the changing face of Moscow as Soviet leader Mikhail Gorbachev sweeps on with reform.

Developments in Cambodia, particularly in light of an Australian peace plan for the war-torn country, as well as the changing Soviet stance in the region also featured in the dialogue, conducted through interpreters.

Mr. Hawke hosted a lunch for Mr. Ryzhkov with key businessmen, including TNT Ltd. managing director Sir Peter Abels, BHP Ltd. chairman Sir Arvi Parbo, small-goods manufacturer Victor Smorgan, CRA Ltd. chief executive John Ralph and Australia's richest man Kerry Packer.

The Soviet prime minister then addressed a gathering of businessmen to encourage joint venture investment, explaining major economic reforms under way in the Soviet Union, including steps to make the ruble an acceptable currency to the world. Officials said that six agreements, due to have been signed Wednesday, were rescheduled for signature Thursday. Soviet officials said there were small "technical problems" with the fishing-trade deal. But the Australians said the delay was because Mr. Ryzhkov had a fever and needed to rest.

The fishing-trade agreement opens Australian ports to the Soviets' southern ocean fishing fleet in return for guarantees on imports of Australian commodities. The Soviets will be allowed to use ports in southern Australia for reprovisioning and repairs and Aeroflot will be able to land charters for crew changeovers in return for an agreement to take specific Australian commodity imports.

Other agreements cover human contact, allowing more Soviets to join their families in Australia, a consular accord and pacts on the peaceful use of nuclear energy and the environment. Mr. Ryzhkov, in his talks with Mr. Hawke, gave Soviet support to Australian and French efforts to protect the Antarctic wilderness.

Mr. Hawke said he gave Australia's support to the process of change underway in the Soviet Union and offered backing for economic reform. A high-level team from the government and private sectors with expertise in food processing, handling and transportation would go to the Soviet Union later in the year.

Mr. Ryzhkov said through an interpreter that he tried to be "as detailed as possible in providing a description of the positive and negative aspects of the current situation in the Soviet Union."

"We are going through a very complicated period in our reform process," Mr. Ryzhkov said. "We have come to a point that we have to implement fully the reforms that we announced in the past and we know we have to go through that difficult period," he said.

Mr. Ryzhkov gave Mr. Hawke Moscow's support for Australian initiatives to bring an end to the Cambodian conflict. Australian Foreign Minister Gareth Evans has proposed the replacement of the Hun Sen regime with a United Nations administration to open the way for free elections. Soviet Deputy Foreign Minister Igor Rogachev, who is travelling with the prime minister, has been a key player in fostering Australia's peace plan for Cambodia. Mr. Evans and Mr. Rogachev held talks late Wednesday on Cambodia, which Australian officials described as "very helpful."

Voices Support for CPSU

BK1502031890 Hong Kong AFP in English 0259 GMT 15 Feb 90

[Text] Canberra, Feb 15 (AFP)—Soviet Prime Minister Nikolay Ryzhkov said here Thursday that the Communist Party remained the only authority capable of delivering "perestroyka" to the Soviet people.

Mr. Ryzkhov, on the third day of an official visit to Australia, said perestroyka—the restructuring of Soviet society—could only be achieved by the Communist Party. He said the government of Mikhail Gorbachev had the support of 80 per cent of the Congress of Peoples Deputies for the reform process now underway, although the remaining 20 per cent of deputies dissented.

Mr. Ryzhkov, speaking through an interpreter at a news conference, said there had been an upsurge in popular political activity in the past two years. That had led to insistent calls to allow other organisations onto the political scene apart from the Communist Party, which led the party plenum to the Communist Party to drop its objections to competing with other parties. But only the Communist Party could rally the people for the changes that had to be made, he said.

Mr. Ryzhkov said small parties could not realistically lead the Soviet Union "along the path of renovation." He said that when the government submitted its program of economic recovery last September to the Congress of Peoples Deputies, there was heated debate for about a week. But ultimately congress supported the program, which Mr. Ryzhkov said amounted to support for the government of Mikhail Gorbachev. The result of the vote was 80 percent for the program and 20 percent against, he said.

"This is the current line of forces," Mr. Ryzhkov said. He said he expected to remain in office until at least 1994, "but the Supreme Soviet may decide that I should relinquish my powers earlier, then I will act accordingly."

The "radical change" of perestroyka meant the Soviet Union was going through "a crucial period when the old system is starting to crumble and the new system is being introduced in the economic and political area." Mr. Ryzhkov said that if perestroyka had been delayed "it might have led to some very negative results, as we have seen in some of the countries of Eastern Europe."

Mr. Ryzhkov said a consequence of such radical change was "some emotional outbursts, some upheaval." But inter-ethnic tension was not new—it had merely been kept below the surface by the old order of rule. With perestroyka came freedom to express views and the tensions came out into the open, he said. Mr. Ryzkhov said the Soviet Union was not alone in facing inter-racial tension, citing Britain as another country dealing with the problem.

Mr. Ryzhkov rejected the concept of confederation. "We are firmly in favor of federation and not confederation," he said, adding that the Soviet Union could not continue as a great power if it were comprised of 15 individual republics. He said Moscow intended to give more power to its constituent republics answerable to a central government.

Says Will Keep Kuriles

BK1502040690 Hong Kong AFP in English 0320 GMT 15 Feb 90

[Text] Canberra, Feb 15 (AFP)—Moscow will keep four small islands off northern Japan despite Tokyo's position that their return was a condition of any business dealings between the two countries, Soviet Prime Minister Nikolay Ryzhkov said here Thursday [15 February].

Mr. Ryzhkov, on the third day of an official visit to Australia, said Tokyo had to "review its stance" on its demand for the return of the strategic Kurile Islands north of Hokkaido, which were annexed by the Soviet Union in the closing stages of World War II. The dispute over the islands has prevented the two governments signing a peace treaty officially ending the war.

Relations between the two countries cooled in late 1988 after Tokyo insisted that the Kuriles be returned.

Mr. Ryzhkov, speaking through an interpreter at a news conference, said the island dispute meant there was "no big interest on the part of Japan" to invest in the Soviet far east. "Whenever we come to discussing some concrete aspects of any possible deals the red light comes on and there is no further movement," Mr. Ryzhkov said of dealings with Japan.

Tokyo's precondition has been that unless Moscow returns the islands no business activity can be allowed with the Soviet Union, he said. "If there is further insistance on the part of Japan on that position, I don't think we can get some productive results in our relationship," Mr. Ryzhkov said. "We still hope that the Japanese Government will review its stance on that issue," he said.

In a speech to business leaders here Wednesday, Mr. Ryzhkov said the Soviet Union's economic relationship with Japan was "seen to be quite stagnant." "I hope the reasonable people will have their day," he said.

On other matters of Soviet foreign relations, Mr. Ryzhkov said Moscow was happy to resume normal diplomatic links with Israel the moment negotiations began on a settlement of the Palestinian question. "There needs to be a negotiating process involving participation of the Palestinians otherwise one would not be able to break the deadlock in the situation," he said. "The sooner the Israeli Government changes its course the better it will be for the chances of ultimate settlement," Mr. Ryzhkov said.

He said Moscow had raised the status of consulates and had engaged in economic dialogue with Israel but restoration of full diplomatic links would depend on a start to realistic negotiations. Once that had begun, Moscow would be ready to restore full diplomatic relations with Israel. "We do not close the door to this restoration of diplomatic relations," he said, but added that "as of now, we think in some areas there needs to be more flexibility."

Mr. Ryzkhov said there were no constraints on emigration of Soviet Jews, except for some conditions restricting those privy to state secrets.

Signs Agreements

BK1502042490 Hong Kong AFP in English 0337 GMT 15 Feb 90

[Text] Canberra, Feb 15 (AFP)—Australia signed agreements with the Soviet Union on Thursday [15 February] granting Russian fishing ships access to selected ports here in return for moves to boost commodities exports to Soviet markets. The two countries also marked the visit of Soviet Premier Nikolay Ryzhkov with four other agreements covering family reunions, consular activities, the peaceful use of nuclear energy and the environment.

The fisheries agreement, which had been in the works for more than two years, was signed by Australian Primary Industries and Energy Minister John Kerin and Soviet Deputy Premier Stefan Sitaryan. Opponents of the fishing deal had said it could clear the way for Soviet spying here, but Mr. Kerin and Foreign Minister Gareth Evans dismissed the argument in a statement on the

accord. "The Australian Government is confident that, following very careful consideration of the possible implications of the agreement for Australia's defence and security, fishing and environmental interests, these will not be harmed," they said.

At a news conference here Thursday, Mr. Ryzhkov rejected any suggestion the Soviet fleet engaged in spying.

The accord opens selected Australian ports to Soviet fishing vessels for repairs, resupply, refuelling, landing of catch and crew changeovers. It also permits charter flights by the Soviet carrier Aeroflot for fishing crew changeovers. The agreement does not provide for commercial fishing in Australian waters, but allows two Russian trawlers to operate for a year off the western coast to determine the feasibility and levels of sustainable catch available. Mr. Ryzhkov urged at his news conference that Soviet fishermen be allowed to catch more Australian fish. Part could go directly to Australia, with another portion exchanged for mutton and lamb, he said.

The commodities agreement, signed by Mr. Evans and Mr. Sitaryan, is aimed at providing Australia with a more reliable means of assessing its future trade with the Soviet Union. Mr. Evans and Mr. Kerin said the accord provided "long-term quantity indicators" for wheat, sugar, manganese, wool, butter, bauxite and alumina. The precise figures were not disclosed. The deal also included Soviet willingness to consider supplies of mutton, barley and protein crops.

The Australian officials said recent moves to liberalise activities in the Soviet Union and Eastern Europe and uncertainty on world commodity markets made it necessary to stabilise trade with Moscow.

Views Cooperation With Hawke

BK1502084190 Melbourne Overseas Service in English 0803 GMT 15 Feb 90

[From the "International Report" program]

[Text] The Soviet prime minister, Mr. Nikolay Ryzhkov, has warned of continuing tensions in the Asia-Pacific region. Mr. Ryzhkov, who has just concluded his first visit to Australia, was speaking at a dinner in his honor—a dinner where his Australian counterpart, Mr. Hawke, talked of a new relationship between Australia and the Soviet Union. Diplomatic correspondent Stewart Heather reports:

[Begin recording] [Heather] According to Mr. Hawke, the Australian people have admiration and respect for the Soviet leadership's courage, vision, wisdom, and propriety in its response to the political and economic changes in the Eastern bloc. Such is the lavish praise Mr. Hawke has for his guest, Nikolay Ivanovich Ryzhkov, and the other Kremlin reformers.

Two years ago, Mr. Hawke went to Moscow and afterwards said he would welcome constructive Soviet political and economic involvement in the Asia-Pacific region. Now he says his widely criticized position has been vindicated. Mr. Hawke says the landscape of world order has been transformed, and there is benefit for Australia.

[Hawke] I want to say to you quite clearly tonight that the Australian Government welcomes and supports the economic and political changes within the Soviet Union that have been so important to this transformation.

Where, Mr. Prime Minister, you succeed in creating a more open and peaceful society and in integrating your economy with the world, we stand to gain as well. Where you lower the tensions at the superpower level and where you pursue a constructive Soviet foreign policy, we stand to enjoy a more stable environment in the world and in our own region. And very importantly, where you succeed in opening the Soviet economy and making it more efficient, we stand to gain mutual benefits from the outcome.

Mr. Prime Minister, I hope that you will take back to President Gorbachev a message of hope from the Australian people—a message of outright admiration and respect for what he, you, and your colleagues have achieved and for what you are endeavoring to achieve.

[Heather] Nikolay Ryzhkov says that the Asia-Pacific region has come to a crossroads with the possibility of an improved political climate and the settlement of regional conflicts. However, he warns that the situation remains highly volatile, with a persisting high level of military confrontation and a continued involvement of several countries in a costly and dangerous arms buildup. The Soviet Union has continued to be critical of Japan's defense expenditure. Mr. Ryzhkov has not named which nations he is referring to; neither has he mentioned a large arms buildup by India, much of it supplied by the USSR.

Mr. Ryzhkov has good grounds for claiming that the Soviet Union and Australia are establishing closer cooperation in the international arena. He says that the Soviet and Australian positions are close on nuclear and chemical weapons, on a Cambodian settlement, and Antarctica.

Mr. Ryzhkov claims that the Soviet Union is trying to diffuse military tensions in Australia's region through unilateral and other measures intended to reduce the risk of war. He says his country is looking forward to reciprocal steps from the region's other leading military powers, and he says mutual trust and security will open up prospects for broader trade and economic cooperation.

Mr. Ryzhkov is correct in assessing that reforms inside the Soviet Union itself are influencing all international relations. He said the Soviet Union is undergoing truly revolutionary changes. It is forming a democratic state and developing what he called a self-governing, socialist society. [end recording]

Fiji

Ganilau Meets Opposition Leader Kuini Bavadra

BK1502072290 Melbourne Overseas Service in English 0500 GMT 15 Feb 90

[Text] There has been an unprecedented meeting in Fiji between the president, Ratu Penaia Ganilau, and the new leader of the deposed coalition government, Adi Kuini Bavadra. The FIJI TIMES says the talks lasting one hour were held at Government House in Suva yesterday.

The talks were reported to be centered on Fiji's future constitution. Government House officials said the talks were of a courtesy nature and no further statement was likely. However, the FIJI TIMES said the talks were seen in political circles as the first in the series aimed at resolving an impasse between Fiji's post-coup interim government and a coalition over Fiji's proposed new constitution.

Adi Kuini took over as leader of the coalition after the death last November of her husband, Dr Timoci Bavadra, who was ousted as prime minister in the first 1987 military coup.

New Zealand

Auckland Mayor Appointed New Governor General

BK1302065190 Hong Kong AFP in English 0438 GMT 13 Feb 90

[Text] Wellington, Feb 13 (AFP)—New Zealand's new governor general will be the present mayor of Auckland, Dame Cath Tizard, Prime Minister Geoffrey Palmer said in a statement here Tuesday (13 February].

New Zealand's legal head of state is Queen Elizabeth II who is represented here by a governor general. Dame Cath is the first woman to hold the post in New Zealand. She will take over from incumbent Sir Paul Reeves, who was the first Maori to hold the post, on November 20. The non-elective post is for a five year term.

Dame Cath was the first wife of former Defence Minister Bob Tizard who Monday warned publicly that if the government did not come up with Wellington accommodations for his third wife and a car for his use in Auckland, he would quit Parliament immediately and force a by-election. The government has not responded yet to his demands.

Dame Cath, 58, has been mayor of Auckland since 1983. A former zoology tutor at Auckland University, she has been a popular figure in New Zealand despite her marriage breakup with Mr. Tizard. She is known as a hard worker. When recently asked what drove her, Dame Cath, a strong Presbyterian, said: "I've come to the conclusion it's bloody Presbyterian Calvinist doing-my-duty. I keep looking at my schedule and thinking, 'Why the hell am I running like this?' I'm 58 years old and I have practically no private time at all."

Papua New Guinea

Bougainville Crisis Forces Cut in Spending

BK1402103990 Hong Kong AFP in English 1008 GMT 14 Feb 90

[Text] Port Moresby, Feb 14 (AFP)—Papua New Guinea Prime Minister Rabbie Namaliu said here Wednesday he had set up a top-level ministerial committee to trim government spending by 100 million kina (about 100 million dollars) because of the Bougainville crisis. Mr. Namaliu will head the ministerial razor gang, which is expected to retrench a large number of the country's 50,000 public servants.

"The committee will have wide ranging powers to make cuts and adjustments," Mr. Namaliu said. "The task of achieving real expenditure cuts of 100 million kina this year is a massive one, and is certainly far more than has ever been undertaken in Papua New Guinea."

Government revenue has been severely hit by the closure of the giant Bougainville Copper Ltd. mine last May because of rebel attacks. More than 70 people have been killed on Bougainville since November 1988, when secessionist militants launched a series of attacks on the mine which was responsible for nearly 20 per cent of total government revenue. Mr. Namaliu said that some of his committee's decisions "will be painful, and they will create some hardships." "But there is no choice but to make and implement the tough decisions," he said.

In the latest Bougainville flareup three soldiers and seven militants were killed in two separate clashes on Tuesday night.